

1937

c 257 Loan and Trust Corporations Act

Ontario

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CHAPTER 257.

The Loan and Trust Corporations Act.

1. In this Act,—

Interpretation.

- (a) "Accountant" shall mean a member of the Institute of Chartered Accountants of Ontario or any person approved by the Dominion Mortgage and Investments Association and the Land Mortgage Companies' Association of the Province of Ontario as being a qualified accountant for the purpose of auditing the books and accounts of corporations under this Act; "Accountant."
- (b) "Chief agency" shall mean the principal office or place of business in Ontario of a corporation which has its head office out of Ontario; "Chief agency."
- (c) "Corporation" shall include a loan corporation, a loaning land corporation and a trust company; "Corporation."
- (d) "Due application" shall include such furnishing of information, evidence and material as shall be required by the Registrar, and the payment of the prescribed fees in respect of any application, certificate or document required or issued under this Act; and also the payment to the Treasurer of Ontario of all taxes due and payable by the applicant company under any Act of Ontario; "Due application."
- (e) "Extra provincial corporation" shall mean a corporation other than one incorporated under the law of Ontario; "Extra-provincial corporation."
- (f) "Head office" shall mean the place where the chief executive officers of the corporation transact its business; "Head office."
- (g) "Law of Ontario" shall include any law of the former Province of Canada or of Upper Canada, continued as the law of Ontario, or consolidated or incorporated with the law of Ontario; "Law of Ontario."
- (h) "Loan corporation" shall include every incorporated company, association or society, not being a chartered bank of Canada or an insurance corpora- "Loan corporation."

tion, constituted, authorized or operated for the purpose of lending money, or for that and any other purpose, but shall not include a loaning land corporation or a trust company;

"Loaning land corporation."

(i) "Loaning land corporation" shall mean a loan company whose powers include the business of buying and selling land;

"Minister."

(j) "Minister" shall mean the member of the Executive Council under whose direction this Act is administered;

"Paid in."

(k) "Paid in" as applied to the capital stock of a corporation or to any shares thereof shall mean the amount paid to the corporation on its shares, not including the premium if any paid on such shares, whether such shares are or are not fully paid up;

"Paid up."

(l) "Paid up" when applied to any share, shall mean a share on which there remains no liability, actual or contingent, to the issuing corporation;

"Permanent stock."
"Permanent shares."

(m) "Permanent stock" or "permanent shares" shall include all stock or all shares of permanent or fixed capital not liable to be withdrawn from or repaid by the corporation;

"Provincial corporation."

(n) "Provincial corporation" shall mean a corporation incorporated under the law of Ontario, and operated under the Act or instrument by virtue of which the corporation became so incorporated;

"Real estate."

(o) "Real estate" shall include messuages, lands, rents and hereditaments, whether freehold or of any other tenure, and whether corporeal or incorporeal, and leasehold estates, and any undivided share thereof, and any estate, right or interest therein;

"Registered corporation."

(p) "Registered corporation" shall mean a corporation registered under this Act; R.S.O. 1927, c. 223, s. 1, cls. (a-p).

"Registrar."

(q) "Registrar" shall mean Registrar appointed under the provisions of this Act; 1937, c. 72, s. 33 (1).

"Trust company."

(r) "Trust company" shall mean a company constituted or operated for the purpose of acting as trustee, agent, executor, administrator, receiver, liquidator, assignee, guardian of a minor's estate, or committee of a mentally incompetent person's estate. R.S.O. 1927, c. 223, s. 1, cl. (q).

INCORPORATION OF LOAN OR LOANING LAND CORPORATION.

2.—(1) An application for the incorporation of a loan corporation or of a loaning land corporation shall be made by ^{Application for incorporation.} petition to the Lieutenant-Governor in Council through the Minister in the prescribed form, and shall be delivered to the Registrar.

(2) The applicants shall for one month next before filing ^{Notice of application.} their application with the Registrar publish a notice thereof in the *Ontario Gazette*, and shall also before such filing give the like notice at least once in a newspaper published in the locality in which the head office is to be established.

(3) The notice shall state the proposed corporate name, ^{Contents.} the location of the head office, which shall be in Ontario, the purposes of the corporation, and for what amount of permanent capital stock authorization will be asked, with the number of shares and the par value of the share.

(4) The applicants shall furnish such further information ^{Further information.} as may be required by the Minister or the Registrar.

(5) The application shall be accompanied by the original, ^{Application to be accompanied by a declaration.} or one of the duplicate originals, of a declaration adopted at a general meeting of the promoters, and executed under their respective hands and seals by at least twenty-five persons present at the meeting who are subscribers for shares.

(6) The declaration shall set out the names in full and the address and calling of each of the declarants and shall declare: that the said declarants assembled at ^{Contents of declaration.} on *(naming the place and time)*; being chairman, and being secretary of the meeting *(naming them)* did there and then agree to constitute themselves a provisional corporation by the name of *(mentioning the proposed corporate name)* under *The Loan and Trust Corporations Act*, and under the proposed by-laws there and then adopted, and annexed to the declaration; also that the following persons, five in number *(naming them)* were elected provisional directors.

(7) The Minister may refer the application or any question arising thereunder to the Registrar for a report, and the Registrar shall report thereon. R.S.O. 1927, c. 223, s. 2. ^{Reference to Registrar and his report.}

3.—(1) Three copies of the proposed by-laws shall accompany the declaration, one copy duly certified being annexed thereto. R.S.O. 1927, c. 223, s. 3 (1). ^{By-laws to accompany declaration.}

(2) Subject to this Act the by-laws shall make provision for the following matters,— ^{What they shall provide for.}

- (a) the proposed corporate name, and the location of the head office of the corporation;
- (b) the purposes for which the corporation is to be constituted;
- (c) they shall declare that the capital stock of the company consists exclusively of permanent capital stock divided into a stated number of shares each of a stated uniform amount, and shall also declare what respective amounts of such capital stock are before the commencement of business to be authorized, subscribed, and paid in, with the proviso that no shares shall be issued at a discount, or upon any terms, agreement or understanding that the taker or holder shall be liable for any less amount than the par value of the shares, less the calls paid thereon;
- (d) they shall define and regulate the exercise of such general powers of borrowing as are by this Act conferred upon loan corporations and loaning land corporations, and shall declare within what limits such borrowing powers are to be exercised, and whether by issuing debentures or debenture stock or otherwise;
- (e) they shall provide for the holding of general meetings, ordinary and special, of the shareholders, and shall prescribe the time and place of the ordinary general meetings, of which one at least shall be held in each year, and the notice to be given of ordinary general meetings, and the notice to be given of special general meetings;
- (f) they shall provide for the election of directors, prescribe their number, powers, duties, and term of office, and the number necessary to constitute a quorum;

(NOTE.—See also as to term of office, etc., s. 94, et seq.)
- (g) they shall prescribe the securities, and the minimum amount thereof, to be taken for the fidelity of the person or persons having custody or control of the funds of the corporation;
- (h) they shall provide for the proper audit, at least yearly, of the books and accounts of the corporation by two or more accountants, who shall not be otherwise employed by the corporation or be

otherwise officers thereof; R.S.O. 1927, c. 223, s. 3 (2), cls. (a-h).

(i) they shall require that there shall be mailed or delivered to each shareholder, at least ten days before the annual meeting, a statement, verified by the auditors, of the assets and liabilities and income and expenditure of the corporation to a date not more than two months before the meeting, such statement to be drawn in accordance with the form from time to time prescribed by the Registrar; R.S.O. 1927, c. 223, s. 3 (2), cl. (i); 1929, c. 54, s. 2.

(j) they shall provide for their amendment by the shareholders in general meeting, after at least thirty days' notice in writing of the particular amendment or amendments proposed has been given to each shareholder and to the Registrar; R.S.O. 1927, c. 223, s. 3 (2), cl. (j).

(k) they shall provide that no transfer of shares of the company may be made which has the effect of reducing the number of shareholders to less than twenty-five. 1930, c. 42, s. 2.

4. A sworn copy of the stock subscription shall also be filed with the Registrar containing such particulars as he may require. R.S.O. 1927, c. 223, s. 4. Stock subscription.

5. On receiving an application for incorporation or registry if the Minister finds in the by-laws of the applicant anything repugnant to this Act or to the law of Ontario he may direct an amendment of the by-laws, and, upon their being amended, as directed and returned certified as having been so amended, the application may be proceeded with. R.S.O. 1927, c. 223, s. 5. Minister may direct amendment of by-laws.

6.—(1) For the purpose of incorporation the applicant shall file with the Registrar an affidavit proving that at least \$300,000 of stock has been subscribed for and taken up *bona fide* by at least twenty-five responsible subscribers, each of the applicants holding at least ten shares in his own right and to his own use, and that in the case of trust corporations at least \$100,000 and in other cases at least \$50,000 of such subscribed stock has been paid in cash by the subscribers into a branch in Ontario of some chartered bank of Canada, in trust for the proposed corporation, free from all liability on the part of the proposed corporation or any of the subscribers to make repayment of the same or any part thereof Prerequisites to incorporation.

to any person, firm or corporation, and that each subscriber has out of his own money, contributed to the amount so paid in rateably according to the amount of shares subscribed for by him.

(NOTE.—See *Order-in-Council of 28th October, 1907.*)

New corporation acquiring assets of existing corporation.

(2) Where the corporation is not to be a trust company and is to be constituted for the purpose of acquiring the assets of one or more existing corporations and the proposed consideration for the transfer of such assets is to consist wholly or in part of shares of the capital stock of the new corporation, the Lieutenant-Governor in Council may dispense to such extent as he may deem proper with the requirements of subsection 1 as to subscription and payment. R.S.O. 1927, c. 223, s. 6.

Par value of share.

7. Subject as hereinafter provided the par value of a share of capital stock shall not be less than \$50 nor more than \$100. R.S.O. 1927, c. 223, s. 7.

All stock to be permanent.

8.—(1) All stock and shares in corporations hereafter incorporated shall be fixed, permanent and non-withdrawable.

Unless issued prior to 17th March, 1900.

(2) A corporation which had not on or prior to the 17th day of March, 1900, issued terminating stock or shares shall not make or issue such stock or shares.

Corporation not registered on 1st July, 1900, not to be registered if any part of its stock is terminating.

(3) A corporation not registered on the 1st day of July, 1900, shall not be granted registry if the stock or shares of the corporation consist of or include terminating stock or shares. R.S.O. 1927, c. 223, s. 8.

Letters patent.

9.—(1) A grant of incorporation shall be by letters patent.

Contents.

(2) The letters patent shall set forth the name under which, and the date at which, the corporation became incorporated, the location of the head office, the amount of stock authorized, and the business to be undertaken by the corporation, distinguishing between the classes of business mentioned in section 126. R.S.O. 1927, c. 223, s. 9.

Application for letters patent by existing corporation.

10.—(1) A provincial corporation incorporated for purposes or objects within the scope of this Act, whether under a special or general Act, and being at the time of its application a subsisting and valid corporation, may apply for letters patent under this Act, and the Lieutenant-Governor in Council may grant letters patent incorporating the shareholders or members of the corporation as a corporation under this Act.

(2) Where an existing corporation applies for the issue of letters patent under the provisions of subsection 1 the Lieutenant-Governor in Council may by letters patent extend the powers of the corporation to such other objects within the scope of this Act as the applicant desires, name the first directors of the new corporation, and give to it the name of the old corporation or any other name. Powers may be extended and new name given.

(3) All rights of creditors against the property, rights and assets of a corporation re-incorporated under the provisions of this section, and all liens upon its property, rights and assets shall be unimpaired by such re-incorporation, and all debts, contracts, liabilities and duties of the original corporation shall thenceforth attach to the new corporation, and may be enforced against it to the same extent as if such debts, contracts, liabilities and duties had been incurred or contracted by it. R.S.O. 1927, c. 223, s. 10. Rights of creditors preserved.

11.—(1) Incorporation may be granted without limitation of time, or for any limited term of years not less than ten. Period.

(2) Where incorporation is granted for a limited term of years the letters patent shall specify the first and the last day of the term. Term to be specified if limited.

(3) If a corporation incorporated under the law of Ontario does not go into actual *bona fide* operation within two years after incorporation, or at any time for two consecutive years does not use its corporate powers for the purposes set forth in the Act or instrument of incorporation, such non-user shall *ipso facto* work a forfeiture of the corporate powers except so far as may be necessary for winding up the corporation. Forfeiture of charter for non-user.

(4) In any action or proceeding where such non-user is alleged, proof of user shall lie upon the corporation. Onus of proof of user.

(5) Where incorporation has been granted for a limited term application may, upon the like notice as is required by section 2, be made on or before the expiry of the term for the renewal or extension of the incorporation, and the incorporation may be renewed or extended by letters patent either without limitation of time or for a limited term. R.S.O. 1927, c. 223, s. 11. Renewal of terminating charter.

12. Where incorporation is granted the provisional directors named in the declaration of the applicants shall be the first directors of the corporation, and shall continue in office until their successors are duly elected. R.S.O. 1927, c. 223, s. 12. First directors of the corporation.

First
by-laws of
corporation.

13. The by-laws accompanying the declaration, mentioned in sections 2 and 3, with such amendments thereof as may have been required by the Minister, shall be the first by-laws of the corporation and shall take effect and be in force from the date of the incorporation. R.S.O. 1927, c. 223, s. 13.

TRUST COMPANIES.

Incorporation.

When letters
patent of in-
corporation
may issue.

14.—(1) Letters patent of incorporation of a trust company may issue where it is shown to the satisfaction of the Lieutenant-Governor in Council that, in the locality in which the head office of the proposed company is to be situate, there exists a public necessity for a trust company or for an additional trust company.

Proportion
of stock to
be held in
Ontario.

(2) At all times at least three-fourths of the shares of a company shall be held by persons who are residents of Ontario, or by companies incorporated under the law of Ontario.

Forfeiture
where
smaller
proportion
so held.

(3) If at any time it is shown to the satisfaction of the Lieutenant-Governor in Council that less than three-fourths of the shares of the company are so held the letters patent incorporating the company may be revoked under the provisions of section 23.

Satisfying
Lieutenant-
Governor of
fitness of
applicants.
O.C. 28th
Oct., 1907.

(4) Letters patent shall not issue unless the Lieutenant-Governor in Council is satisfied that the fitness of the applicants to discharge the duties of a trust company is such as to command the confidence of the public, and that the public convenience and advantage will be promoted by granting to the company the powers applied for. R.S.O. 1927, c. 223, s. 14.

Procedure
for incor-
poration.

15. The proceedings leading to incorporation shall be as hereinbefore prescribed for the incorporation of loan corporations. R.S.O. 1927, c. 223, s. 15.

Powers and Liabilities.

Trust com-
panies not
to borrow
on deben-
tures, etc.

16.—(1) A trust company incorporated under the laws of Ontario shall not have power to borrow money by issuing debentures or debenture stock, but where money is received by the company for the purpose of its being invested by the company, the guarantee by the company of the repayment of the same or of the payment of the interest thereon at such rate as may be agreed upon on fixed days shall not be deemed to be a debenture nor shall the money be deemed to be money borrowed by the company by issuing debentures but to be money received in trust.

Guarantee
receipts not
to be deemed
debentures.

(2) A trust company incorporated under the law of Ontario shall not have power to take deposits by way of borrowing money and all deposits received by such a trust company shall be subject to the provisions hereinafter contained. Trust companies not to borrow by accepting deposits.
R.S.O. 1927, c. 223, s. 16.

17.—(1) All moneys received by a trust company for guaranteed investment as set out in subsection 1 of section 16, and as deposits as set out in subsection 2 of section 16 and subsection 3 of section 18, shall be invested in or loaned upon such securities only as are authorized by section 30; provided, however, that at all times at least fifty per centum of such moneys shall be invested in or loaned upon such securities only as are authorized by *The Trustee Act*. 1929, c. 54, s. 3 (1). Investment of deposits. Rev. Stat. c. 165.

(2) Where it is provided by the agreement under which moneys are received by the company for guaranteed investments as mentioned in subsection 1 of section 16 that specific securities shall be allocated in respect thereof, such securities shall be ear-marked and definitely set aside in respect thereof, and in respect of all other moneys received for guaranteed investments as mentioned in subsection 1 of section 16 there shall be ear-marked and definitely set aside in respect thereof securities including loans made upon securities or cash including moneys on deposit and securities including loans made upon securities equal to the full aggregate amount thereof. Securities allocated to guaranteed investments.
R.S.O. 1927, c. 223, s. 17 (2); 1929, c. 54, s. 3 (2).

18—(1) Subject to the provisions of sections 15, 16, and 17 and to the law of Ontario, the letters patent may authorize the company to exercise any or all of the following powers,— Powers which may be conferred on trust companies.

- (a) to take, receive and hold all estates and property, real and personal, which may be granted, committed, transferred or conveyed to the company with its consent, upon any trust or trusts whatsoever not contrary to law, at any time or times, by any person or persons, body or bodies corporate, or by any court in Ontario; Accept property on trust.
- (b) to take and receive as trustee or as bailee, upon such terms and for such remuneration as may be agreed upon, deeds, wills, policies of insurance, bonds, debentures or other valuable papers or securities for money, jewelry, plate or other chattel property of any kind, and to guarantee the safe keeping of the same; Accept deposits of property for safe keeping.
- (c) to act generally as attorney or agent for the transaction of business, the management of estates, the Act as attorney or agent.

collection of loans, rents, interest, dividends, debts, mortgages, debentures, bonds, bills, notes, coupons and other securities for money;

Issue and countersign stock certificates, bonds, etc.

- (d) to act as agent for the purpose of issuing or countersigning certificates of stock, bonds or other obligations of any association or municipal or other corporation, and to receive, invest and manage any sinking fund therefor on such terms as may be agreed upon; R.S.O. 1927, c. 223, s. 18 (1), cls. (a-d).

Manage sinking funds.

Act as executor, etc.

- (e) to accept and execute the offices of executor, administrator, trustee, receiver, liquidator, assignee, custodian, trustee in bankruptcy, or of trustee for the benefit of creditors, and of guardian of any minor's estate, or committee of any mentally incompetent person's estate, and to accept the duty of and act generally in the winding up of estates, partnerships, companies and corporations; 1934, c. 27, s. 2.

Invest trust funds.

- (f) to invest any trust money in the hands of the company in any securities in which private trustees may by law invest trust money, and also in the debentures of any municipal corporation in the Provinces of Manitoba, Saskatchewan, or Alberta, or in any other province which may be named by the Lieutenant-Governor in Council;

Guarantee investments.

- (g) to guarantee any investment made by the company as agent or otherwise;

Sell or mortgage property.

- (h) to sell, pledge or mortgage any mortgage or other security, or any other real or personal property held by the company, and to make and execute all requisite conveyances and assurances in respect thereof;

Make deeds, transfers, etc.

- (i) to make, enter into, deliver, accept and receive all deeds, conveyances, assurances, transfers, assignments, grants and contracts necessary to carry out the purposes of the company, and to promote its objects and business;

Collect costs, charges and expenses for services.

- (j) and for all such services, duties and trusts to charge, collect and receive all proper remuneration, legal, usual and customary costs, charges and expenses. R.S.O. 1927, c. 223, s. 18 (1), cls. (f-k).

Investment of funds other than trust funds. Rev. Stat. c. 165.

- (2) A trust company may invest or loan any money held by it other than trust money in or upon any of the securities authorized by section 30 of this Act, or *The Trustee Act*,

and may loan any trust money held by it upon any securities authorized by *The Trustee Act*. R.S.O. 1927, c. 223, s. 18 (2); 1928, c. 36, s. 1; 1929, c. 54, s. 4 (1).

(3)—(a) A trust company incorporated under the law of Ontario may; and Deposits,— power to receive.

(b) any other trust company registered under this Act which has capacity to do so under its Act or other instrument of incorporation, may within Ontario and subject to complying with section 17,

receive deposits of money repayable upon demand or after notice and bearing interest at such rate as may be agreed upon between the company and depositor and the company shall be entitled to retain the interest and profit resulting from the investment or loaning of said deposit moneys in excess of the amount of interest payable to depositors. R.S.O. 1927, c. 223, s. 18 (3).

(4) Every trust company receiving deposits in the manner authorized by subsection 3 shall be deemed to hold the same as trustee for the depositors and to guarantee repayments thereof and there shall be ear-marked and definitely set aside in respect thereof securities, including loans made upon securities or cash, including money on deposit and securities including loans made upon securities, equal to the full aggregate amount thereof. R.S.O. 1927, c. 223, s. 18 (4); 1929, c. 54, s. 4 (2). To be deemed trust moneys and to be guaranteed.

(5) Every trust company receiving moneys on deposit under the provisions of this section shall keep a special register in the form approved by the Registrar, in which shall be entered all sums so received and the names and addresses of the persons from whom received. R.S.O. 1927, c. 223, s. 18 (6). Special register of deposits.

19.—(1) Every trust company receiving deposits in the manner authorized by subsection 3 of section 18 shall make a sworn return to the Registrar quarterly on the 15th days of January, April, July and October in each year, drawn in accordance with the form prescribed from time to time by the Registrar, showing the amount of such deposits, and showing all securities including loans made upon securities, and cash, including money on deposit, ear-marked and definitely set aside as provided in subsection 4 of section 18, as the said amounts stood at the end of the last preceding month, and stating that the same were at the date mentioned in such return, so ear-marked and definitely set aside. Quarterly returns of deposits and securities allocated.

Quarterly
returns of
guaranteed
funds and
securities
allocated.

(2) Every trust company receiving funds for guaranteed investment as mentioned in subsection 1 of section 16 shall make a sworn return to the Registrar quarterly on the 15th day of January, April, July and October in each year, drawn in accordance with the form prescribed from time to time by the Registrar, showing the amount of such funds, and showing all securities, including loans on securities, and cash, including money on deposit, ear-marked and definitely set aside as provided in subsection 2 of section 17, as the said amounts stood at the end of the last preceding month, and stating that the same were at the date mentioned in such return, so ear-marked and definitely set aside. 1930, c. 42, s. 5, *part*.

Quarterly
returns by
trust com-
panies as to
deposits and
liquid
securities
available.

(3) Every trust company receiving deposits in the manner authorized by subsection 3 of section 18 shall make a sworn return to the Registrar quarterly, on the 15th days of January, April, July and October in each year, drawn in accordance with the form prescribed from time to time by the Registrar, showing the amount of such deposits and showing the amount of cash on hand and on deposit, and the amount of debentures, bonds, stock or other securities of, or guaranteed by the Dominion of Canada, and of, or guaranteed by, any province of Canada, less any incumbrances thereon, and the amount of bonds, debentures and other securities of any municipal corporation in Ontario or of any city in Canada, less any incumbrances thereon and the bonds or debentures issued by any incorporated company in respect of which bonds or debentures annual or semi-annual subsidy payments sufficient to pay both principal and interest thereof are, by virtue of any general Act of the Dominion of Canada, payable by the Government of the Dominion of Canada to a trust company as trustee for the holders of such bonds or debentures, and the principal amount of any moneys payable to the company on demand, the payment of which is secured by the mortgage or pledge of any of the securities hereinbefore in this subsection mentioned, as the said amounts stood at the end of the last preceding month, and including in such statement all such cash and securities and loans as defined in this subsection, whether owned by the company or held by it as guaranteed investments under the provisions of subsection 2 of section 17, or subsection 4 of section 18, and stating that the same were at the date mentioned in such return on hand and available for depositors. 1930, c. 42, s. 5, *part*; 1935, c. 36, s. 2.

Liability.—
extent of.

20. The liability of a trust company to persons interested in an estate held by the company as executor, administrator, trustee, receiver, liquidator, assignee, guardian, or committee shall be the same as if the estate had been held by any private person in the like capacity, and the company's powers shall be the same. R.S.O. 1927, c. 223, s. 19.

21.—(1) Where a trust company is authorized to execute the office of executor, administrator, trustee, receiver, liquidator, assignee, guardian or committee, and the Lieutenant-Governor in Council approves of such company being accepted as a trust company for the purposes of the Supreme Court, every court or judge having authority to appoint such an officer may, with the consent of the company, appoint such company to exercise any of such offices in respect of any estate or person under the authority of such court or judge, or may grant to such company probate of any will in which such company is named as an executor; but no company which has issued or has authority to issue debentures or debenture stock, or which has received or has authority to receive deposits, except in the manner authorized by this Act shall be approved.

Approval of company as executor, etc.

(2) A trust company so approved may be appointed to be a sole trustee, notwithstanding that but for this Act it would be necessary to appoint more than one trustee.

Proviso.

Appointment of company as sole

(3) A trust company so approved may be appointed to any of the offices mentioned in subsection 1 jointly with another person.

or joint trustee.

(4) Such appointment may be made whether the trustee is required under the provisions of any deed, will or document creating a trust or whether the appointment is under the provisions of *The Trustee Act* or otherwise.

When appointment may be made by court.

Rev. Stat. c. 165.

(5) Notwithstanding any rule or practice or any provision of any Act requiring security it shall not be necessary for the company to give any security for the due performance of its duty as such executor, administrator, trustee, receiver, liquidator, assignee, guardian or committee unless otherwise ordered.

Security not required.

(6) The Lieutenant-Governor in Council may at any time revoke the approval given under this section. R.S.O. 1927, c. 223, s. 20.

Revocation of approval.

REVOCATION OF CHARTER.

22. A corporation shall possess as incidental and ancillary to the powers set out in its letters patent, power to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or its predecessors in business, or the dependents or connections of such persons, and grant pensions and allowances, and make payments towards insurance, and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object. R.S.O. 1927, c. 223, s. 21 (1).

Powers of company as to benefit funds, etc., for employees and their families.

Amendment,
suspension
or revocation
of charter
or powers.

23. The charter or powers of a corporation may, at any time, for cause shown to his satisfaction, be amended, suspended or revoked and made void by the Lieutenant-Governor in Council. R.S.O. 1927, c. 223, s. 22.

EXTRA PROVINCIAL BUSINESS.

Extension
of business
beyond the
Province.

24.—(1) Where the existence or operation of a provincial corporation is not by the Act or instrument constituting it, limited in time or area the corporation may, in general meeting of the members, called for that purpose by notice duly given, pass a by-law authorizing its directors to extend the business of the corporation beyond Ontario, but in compliance with the law of the country to which the business may be so extended, and the directors may give effect to such by-law without being liable or responsible as for any breach of trust in so doing.

Erection or
purchase of
buildings
required
for use of
corporation
in the foreign
jurisdiction.

(2) Where, as provided in this section, a provincial corporation carries on business outside of Ontario the corporation may in general meeting of the members, called for that purpose by notice duly given, pass a by-law authorizing the directors to invest the money of the corporation in the erection or purchase of buildings required for the occupation of the corporation in any place where the corporation is so carrying on business and in conformity with the law of the country in which such place is situate. R.S.O. 1927, c. 223, s. 23.

CALLS—LIABILITY OF SHAREHOLDERS.

Calling in
instalments.

25.—(1) The directors may call in and demand from the shareholders the amount unpaid on shares by them subscribed or held at such times and places and in such payments or instalments as the special Act, letters patent or this Act, or the by-laws of the corporation require or allow, and interest shall accrue upon the amount of any unpaid call from the day appointed for payment thereof.

Demand to
state
liability to
forfeiture.

(2) The demand shall state that in the event of non-payment the shares in respect of which the call was made will be liable to be forfeited.

Forfeiture
of share.

(3) If after the demand any call is not paid within the time and in the manner provided by the special Act, the letters patent, supplementary letters patent or the by-laws, the directors, by resolution to that effect reciting the facts and duly recorded in their minutes, may summarily forfeit any shares whereon such payment is not made, and the same shall thereupon become the property of the company and may

be disposed of as, by by-law or otherwise, the company may ordain; but such forfeiture shall not relieve the shareholder of any liability to the company or to any creditor. R.S.O. 1927, c. 223, s. 24.

26.—(1) Every shareholder, until the whole amount of his shares has been paid up, shall be individually liable to the creditors of the company to an amount equal to that not paid up thereon, but shall not be liable to an action therefor by any creditor before an execution against the company has been returned unsatisfied in whole or in part, and the amount due on such execution, but not beyond the amount so unpaid on such shares, shall be the amount recoverable, with costs, against such shareholder. Liability of shareholders.

(2) Any shareholder may plead by way of defence, in whole or in part, any set-off which he could set up against the company, except a claim for unpaid dividend, or a salary or allowance as a president or a director of the company. R.S.O. 1927, c. 223, s. 25. Set-off.

LENDING POWERS.

The Contract of Loan.

27.—(1) No borrower, whether he is or is not a shareholder in the corporation, shall be bound by the by-laws or rules thereof unless either the words "subject to the by-laws of the corporation," or the words "subject to the rules of corporation," as the case may be, are printed in conspicuous type on the back, and as part of the endorsement of the mortgage or other security given by him. When borrower bound by rules.

(2) Although the mortgage or other security is so endorsed a borrower from the corporation who is not a shareholder shall not be subject to the by-laws or rules unless the mortgage or other security expressly stipulates that they shall form part of the contract or obligation entered into by the borrower. R.S.O. 1927, c. 223, s. 26. Who to be subject to by-laws, etc.

28.—(1) Where any loan or advance is made by a corporation the contract shall be evidenced by a written instrument within or on which all the terms and conditions of the contract shall be clearly set out, and unless so set out no term of, or condition, stipulation, warranty, by-law, resolution, rule or proviso varying or modifying the contract shall be valid or shall be admissible in evidence to the prejudice of the borrower, but nothing in this section shall prevent the application Contract of loan to be by instrument setting out all the terms.

Rev. Stat.
c. 155.

Rev. Stat.
c. 160.

to the contract of the provisions of section 27, or of *The Mortgages Act*, or shall prevent the use in the contract of the short form authorized by *The Short Forms of Mortgages Act*, if such contract is expressed to be in pursuance of the last mentioned statute.

Contract
not to be
affected by
subsequent
by-laws, etc.

(2) As against the borrower, whether a shareholder or member or not, the contract shall not be in anywise altered, varied or affected by any by-law, resolution or rule of the corporation subsequently passed or adopted.

Instrument
to state
particulars
of payment
required to
discharge.

(3) The instrument shall state the rate of interest charged and shall fully and clearly state by the payment of what specific sum or sums, at a place and time or times stated, the loan or mortgage debt is to be discharged, and in case the loan or mortgage debt is dischargeable by instalments or periodical payments shall further clearly set out the several amounts of such instalments or periodical payments and the number thereof respectively required to discharge the loan or mortgage debt.

Borrower
not liable for
losses or for
impairment
of capital.

(4) No term or condition of the contract of loan, or of any contract or agreement collateral thereto, shall render the borrower liable to contribute for losses of the corporation or to make good any impairment of its capital.

Effect of non-
compliance.

(5) Where the instrument does not comply with the requirements of this section the loan or mortgage debt shall be held to consist of the principal sum or sums actually received by the borrower, less any sum or sums repaid by, or standing to the credit of, the borrower, together with simple interest thereon calculated at the legal rate of interest on such sum or sums of principal for the actual time or times during which the borrower has had the use thereof.

Application
of section.

(6) This section shall apply to every contract of loan made or renewed in Ontario after the 1st day of June, 1904, by any corporation to any borrower on the security of any property, or made or renewed to any borrower elsewhere on the security of property situate in Ontario, and shall have effect as against the lender notwithstanding any stipulation or agreement to the contrary. R.S.O. 1927, c. 223, s. 27.

Investments, Holding Land Reserve Fund.

May lend
on certain
securities.

29.—(1) A registered loan corporation and a registered loaning land corporation may lend money on the security of, or purchase or invest in the following,—

Real estate
and life
insurance.

(a) mortgages, charges, or hypothecs upon real estate in Ontario or in any other country to which the

corporation is authorized to extend its business under the provisions of section 24, or mortgages or assignments of such life insurance policies as have at the date of the loan or investment an ascertained cash surrender value admitted by the insurer;

(b) any securities of or guaranteed by the United Kingdom of Great Britain and Ireland, the Dominion of Canada or any of the provinces of Canada or any other government the interest on whose securities has been paid regularly for the previous ten years;

Investments by loan companies. Government bonds.

(c) debentures, bonds, paid-up stock and other securities, except bills of exchange and promissory notes, of any municipal corporation or school corporation or of any chartered bank or incorporated company, if such bank or company is incorporated by Canada, or by any province of Canada or by any former province now forming part of Canada.

Securities of banks or companies.

(2) Subject always to the limitations imposed by section 38, any such corporation heretofore so authorized may, notwithstanding the provisions of subsection 1, invest in and lend upon real estate or securities other than those in that subsection mentioned.

Powers continued.

(3) Any such corporation may take personal security as collateral for any advance made or to be made or for any debt due to such corporation.

Personal security as collateral.

(4) Any such corporation may, with the assent of two-thirds of the shareholders present or represented by proxy at an annual or special general meeting, called with due notice of such proposal, lend upon the security of the debentures, bonds, obligations or paid up stock of any corporation other than those corporations heretofore in this section mentioned, but the aggregate of all such lending shall not exceed at any one time twenty-five per centum of the paid in capital of the lending corporation, and where the borrower is a corporation shall not exceed at any one time twenty-five per centum of the paid in capital of the borrowing corporation.

Loans on other classes of security with assent of two-thirds of shareholders.

(5) The corporation may do all acts that are necessary for advancing such sums of money, and for receiving and obtaining repayment thereof, and for compelling the payment of all interest accruing due thereon, and the observance and fulfilment of any conditions, annexed to the advance, and for enforcing the forfeiture of any term or property consequent on the non-fulfilment of such conditions, or of conditions entered into for delay of payment. R.S.O. 1927, c. 223, s. 28.

Power to do acts and to exercise remedies.

Investments
by trust
companies.

30.—(1) Subject to the provisions of subsection 1 of section 17 a registered trust company may purchase or invest in the following,—

Real estate.

- (a) mortgages, charges, or hypothecs upon real estate in Ontario or elsewhere where the company is authorized to extend its business under the provisions of section 24;

Government
bonds.

- (b) the debentures, bonds, stock or other securities of or guaranteed by the government of the Dominion of Canada or of or guaranteed by the government of any province of Canada, or of or guaranteed by the government of Great Britain, or of any dominion, colony or dependency thereof, or of any state forming part of such colony or dependency, or of or guaranteed by any foreign country or state forming part of such foreign country where the interest on the securities of such foreign country or state has been paid regularly for the previous ten years, or of any municipality or school corporation in Canada, or elsewhere where the company is carrying on business, or guaranteed by any municipal corporation in Canada, or secured by rates or taxes levied under the authority of the government of any province of Canada on property situated in such province and collectable by the municipalities in which such property is situated;

Bonds
secured by
trust deed.

- (c) the bonds, debentures, debenture stock, or other securities of any company or bank incorporated by Canada, or by any province of Canada, or by any former province now forming part of Canada, which are secured by a mortgage or hypothec to a trust company either singly or jointly with another trustee upon improved real estate of such company or other assets of such company of the classes mentioned in clauses *a* and *b*;

Debentures.

- (d) the debentures or other evidences of indebtedness of any company or bank which has paid regular dividends on its preferred or on its common stocks for a term of at least five years immediately preceding the date of investment in such debentures or other evidences of indebtedness;

Preferred
stock.

- (e) the preferred stocks of any company or bank which has paid regular dividends upon such stocks or upon its common stocks for not less than five years preceding the purchase of such preferred stocks,

or the stocks of any company which are guaranteed by a company which has paid regular dividends upon its preferred or common stocks for not less than five years preceding the purchase of such guaranteed stocks; provided that the amount of stocks so guaranteed is not in excess of fifty per centum of the amount of the preferred or common stocks, as the case may be, of the guaranteeing company; or

- (f) the common stocks of any company, corporation ^{Common stock.} or bank upon which regular dividends of at least four per centum per annum, or, in the case of stocks of no par value, of at least four dollars per share per annum, have been paid for the seven years next preceding the purchase of such stocks; provided further that if any such company or corporation has, pursuant to a voluntary reorganization of its capital account and without affecting the status or diminishing the value of its outstanding securities, including the capital stock, substituted common shares of no par value for shares of par value, then dividends declared on the said no par value stock shall be deemed to be dividends of at least four dollars per share per annum if the sum thereof is equivalent to at least four per centum of the said common stock of par value and the proceeds of any additional issue of common stock made at the time of, or subsequent to, the aforesaid substitution of shares, and in such circumstances dividends of at least four per centum per annum on the common stock of par value immediately preceding the substitution shall be regarded as dividends on the no par value stock, and if any such company or corporation has in any year paid dividends on its common stock amounting to not less than \$500,000, the payment of such dividends shall be deemed to be for the purposes of this section equivalent to the payment of a dividend of four per centum for the said year. 1929, c. 54, s. 5, *part*.

(2) Subject to the provisions of subsection 1 of section ^{Loans on securities.} 17 a registered trust company may lend its funds on the security of,—

- (a) any of the securities mentioned in clauses *a*, *b* and *c* ^{Real estate.} of subsection 1, or on improved real estate or leaseholds; or

Bonds,
debentures,
etc.
See R.S.O.,
c. 28, s. 61,
subs. 2, cl. b.

- (b) the bonds, debentures, notes, stocks, or other securities of any company or bank, other than those mentioned in clause *c* of subsection 1, provided that the market value of the securities on which the loan is made shall at all times exceed the amount of the loan by at least twenty per centum of such market value, and provided further that the amount loaned on the security of the stocks of any such company or bank shall not at any time exceed ten per centum of the market value of the total outstanding stocks of such company or bank. 1929, c. 54, s. 5, *part*; 1930, c. 42, s. 6.

Restrictions
on amount
of invest-
ments.

31.—(1) On and after the 1st day of January, 1920, no corporation shall,—

Limit of
capital
investment
in any one
corporation.

- (a) except as to securities issued or guaranteed by the Government of Canada or the government of any province of Canada or by a municipal corporation in the Province of Ontario, invest money in any one security or make a total investment in any one corporation including the purchase of its stock or other securities, the lending to it on the security of its debentures, mortgages or other assets or any part thereof, of more than fifteen per centum of its own paid in capital stock and reserve funds;

Not to ex-
ceed 15 per
cent. of
securities of
any cor-
poration.

- (b) make any investment the effect of which will be that such corporation will hold more than fifteen per centum of the stock and debentures of any one corporation or incorporated company; R.S.O. 1927, c. 223, s. 29 (1), cls. (a, b).

Dividend
paying cor-
porations.

- (c) invest in the stocks, debentures or funds of any corporation, chartered bank or incorporated company which has not paid a dividend of six per centum per annum on its capital stock for the previous three years; provided however, that this clause shall not apply to investments made by a trust company in the securities prescribed in section 30. R.S.O. 1927, c. 223, s. 29 (1), cl. (c); 1929, c. 54, s. 6.

Not to
apply to
certain
companies.

(2) This section shall not apply to an investment in the paid up capital stock of a trust company having its head office in the Province of Ontario if the same has been authorized by an order of the Lieutenant-Governor in Council upon the recommendation of the Registrar. R.S.O. 1927, c. 223, s. 29 (2).

32.—(1) The Lieutenant-Governor in Council may authorize the acceptance by a corporation of bonds, notes, stocks, debentures, or other assets not fulfilling the requirements of this Act,—

Other investments authorized by Lieutenant-Governor in Council.

- (a) in payment or part payment for securities sold by such corporation; or
- (b) obtained under a *bona fide* arrangement for the reorganization of a company whose securities were previously owned by such corporation; or
- (c) for the amalgamation with another company or the company whose securities were so owned; or
- (d) obtained for the *bona fide* purpose of protecting investments previously made by the corporation; or
- (e) obtained by virtue of the purchase by the corporation of the assets of another corporation;

but the bonds, notes, stocks or debentures or other assets whose acceptance is so authorized shall be absolutely sold and disposed of within five years after the acquisition thereof, or within such further time not exceeding one year as the Lieutenant-Governor in Council shall, on report of the Minister fix and determine unless it can be shown to the satisfaction of the Minister that the bonds, notes, stocks, debentures or other assets whose acceptance is so authorized are not inferior in status or value to the securities for which they have been substituted.

(2) For the purpose of determining the eligibility as investments under this Act of the preferred or common stocks of any company, which has been voluntarily reorganized without the impairment of the status or value of its securities, dividends paid on the preferred and common stocks of the company before such reorganization may be counted as dividends paid on such stocks respectively of the reorganized company.

Stocks of reorganized companies.

33.—(1) A registered corporation may hold real estate which, having been mortgaged or hypothecated to it, has been acquired by it for the protection of its investment, and real estate conveyed to it in satisfaction of debts previously contracted in the course of its business, and may from time to time sell, mortgage, lease, exchange or otherwise dispose of the same, and may sell or otherwise dispose of as it deems advisable any mortgage or security which it has lawfully acquired.

May hold certain estates and interests in land; and may dispose of same.

Limitation
of time for
holding
except in
case of
loaning land
corporation.

(2) The corporation, not being a loaning land corporation registered under this Act, shall, subject to the provisions of section 34, sell any real estate acquired by it under any mortgage, charge or hypothecation, or in satisfaction of any debt, within twelve years after it has been so acquired, otherwise it may be forfeited to His Majesty for the use of Ontario; but no such forfeiture shall be enforced until the expiration of six calendar months after notice in writing to the corporation of the intention of His Majesty to claim such forfeiture.

Powers as
grantor or
grantee,
assignor or
assignee.

(3) The corporation may give receipts, acquittances and discharges, either absolutely and wholly or partially, and may grant or take such deeds, assignments or other instruments as are necessary for carrying any such holding, purchase, exchange or re-sale into effect, and the grantee or assignee in any such instrument shall stand in the place of, and be entitled to, and have all the same rights, powers and remedies, and shall be subject to the same obligations and liabilities as the grantor or assignor would have been entitled to or would have been subject to if the grant or assignment had not been made. R.S.O. 1927, c. 223, s. 30.

Rights of
grantee or
assignee.

Power to
hold real
estate for
business.

34. A registered corporation may hold absolutely to its own use and benefit such real estate as is necessary for the transaction of its business, or is acquired or held *bona fide* for building upon or improving for that purpose, and may sell, mortgage or dispose of the same. R.S.O. 1927, c. 223, s. 31.

Power to
construct
larger
building and
to lease part
thereof.

35. A registered corporation, when so authorized by the letters patent or by the Lieutenant-Governor in Council, may acquire or may construct, on any lands so held, a building larger than is required for the transaction of its business and may lease any part of such building not so required. R.S.O. 1927, c. 223, s. 32.

Limit of
amount of
investment
in buildings
for use of
company.

36.—(1) Except as hereinafter provided a loan corporation incorporated under the law of Ontario shall not make or undertake any investment or expenditure after the passing of this Act, under section 34 or section 35, which will cause the total amount at which the investment is carried on the books of the corporation to exceed fifteen per centum of the paid up capital and reserve funds of the corporation.

Exception.

(2) Where such a loan corporation has already *bona fide* acquired land for the purpose of making additions, alterations, or improvements to offices or buildings already owned by them, or the erection of new buildings thereon, the loan

corporation may with the approval of the Lieutenant-Governor in Council make or undertake investments or expenditures for such purposes exceeding the amount provided for in subsection 1 but the total amount at which the investment is carried on the books of the loan corporation shall not in any event exceed twenty-five per centum of the paid up capital and reserve funds of the loan corporation.

(3) A trust company incorporated under the laws of Ontario shall not make or undertake any investment or expenditure after the passing of this Act under section 34 or section 35 which will cause the total amount at which the investment is carried on the books of the company to exceed twenty-five per centum of the paid up capital and reserve funds of the company. R.S.O. 1927, c. 223, s. 33. Limit of amount of investment.

37. A registered corporation may maintain a reserve fund out of its earnings or other income not required to meet its present liabilities. R.S.O. 1927, c. 223, s. 34. Reserve fund.

Loans to Shareholders upon Shares.

38.—(1) A corporation may pass a by-law prohibiting absolutely the loaning to shareholders upon the security of their shares, or, subject to the limitations contained in this section, may pass a by-law fixing the aggregate amount which may be loaned on such shares, and neither of such by-laws shall be repealed until all liabilities of the corporation are discharged. Prohibition or limitation of loans upon shares.

(2) Subject to subsection 1 the corporation may lend upon its own paid up stock to an amount not exceeding at any one time in the aggregate of all such loans ten per centum of the corporation's paid up stock. Limitation as to loans on its own stock.

(3) No such loan shall exceed eighty per centum of the market price of the stock. R.S.O. 1927, c. 223, s. 35. Margin.

39. A corporation shall not, except in the manner provided by section 38, lend on its own shares with or without collateral security. R.S.O. 1927, c. 223, s. 36. Not to lend on own stock.

40.—(1) No registered corporation, and no director, officer or employee thereof, either personally or on behalf of such corporation, and no other company the majority of the capital stock of which is owned or controlled by such corporation, its shareholders, directors, officers or employees, shall, either directly or indirectly, transact the business of or act as insurance agent or broker within the meaning of *The Insurance Act*, or exercise pressure upon any borrower or Prohibition against acting as insurance agent.

mortgagor to place insurance for the security of such corporation, in or through any particular agency or brokerage office; provided that nothing herein contained shall prevent such corporation from stipulating in its contract of loan that any required insurance must be effected with an approved insurer.

Exception.

(2) Subsection 1 shall not apply to the director of a registered corporation who can satisfy the Superintendent of Insurance that the business of insurance is his major occupation. 1930, c. 42, s. 7.

*Interest; Payments of Blended Interest and Principal;
Limitation of Mortgagor's Liability for Interest.*

Loans to directors and auditors prohibited.

41. A corporation shall not lend or advance money to any of its directors or auditors or to the wife or child of any director or auditor. R.S.O. 1927, c. 223, s. 37.

Rate of interest.

R.S.C.,
c. 102, s. 1.

42. Subject to the provisions of section 43 a registered corporation may stipulate for, take, reserve and exact any rate of interest or discount that may lawfully be taken by individuals, and may also receive payment at any time on any loan or advance. R.S.O. 1927, c. 223, s. 38.

No interest recoverable in certain cases unless the mortgage contains a certain statement.

R.S.C.,
c. 102, s. 9.

43.—(1) Wherever any principal money or interest secured by mortgage of real estate is, by the same, made payable on the sinking fund plan, or on any plan under which the payments of principal money and interest are blended, or on any plan which involves an allowance of interest on stipulated repayments, no interest whatever shall be chargeable, payable or recoverable on any part of the principal money advanced, unless the mortgage contains a statement showing the amount of such principal money and the rate of interest chargeable thereon, calculated yearly or half-yearly, not in advance.

No rate recoverable beyond that shown in such statement.

R.S.C.,
c. 102, s. 7.

(2) Wherever the rate of interest shown in such statement is less than the rate of interest which would be chargeable by virtue of any other provision, calculation or stipulation in the mortgage, no greater rate of interest shall be chargeable, payable or recoverable on the principal money advanced than the rate shown in such statement.

No fine allowed on payments in arrear which has the effect of increasing the rate of interest.

Proviso: as to interest on arrears of interest.

(3) No fine or penalty or rate of interest shall be stipulated for, taken, reserved or exacted on any arrears of principal or interest secured by mortgage of real estate which has the effect of increasing the charge on any such arrears beyond the rate of interest payable on principal money not in arrears; but nothing in this section shall have the effect of prohibiting a contract for the payment of interest on arrears of interest

or principal at any rate not greater than the rate payable on principal money not in arrear. R.S.O., c. 102, s. 8.

(4) If any sum is paid on account of any interest, fine or penalty not chargeable, payable or recoverable under subsections 1, 2 and 3, such sum may be recovered back, or deducted from any other interest, fine or penalty chargeable, payable or recoverable on the principal. Overcharge may be recovered back. R.S.C., c. 102, s. 9.

(5) Wherever any principal money or interest secured by mortgage of real estate is not, under the terms of the mortgage, payable till a time more than five years after the date of the mortgage, then if at any time after the expiration of such five years any person liable to pay or entitled to redeem the mortgage tenders or pays to the corporation entitled to receive the money the amount due for principal money and interest to the time of payment as calculated under subsections 1 to 4 of this section, together with three months' further interest in lieu of notice, no further interest shall be chargeable, payable or recoverable at any time thereafter on the principal money or interest due under the mortgage. No further interest payable after five years on certain conditions. R.S.C., c. 102, s. 10.

44. Section 15 of *The Mortgages Act* and section 15 of *The Mortgages Act*, R.S.O. 1914, c. 112, shall apply to all mortgages to loan corporations. Application of Rev. Stat. c. 155, s. 15, and Rev. Stat. 1914, c. 112, s. 15. R.S.O. 1927, c. 223, s. 40.

BORROWING POWERS.

45.—(1) Any corporation may with the assent of the Lieutenant-Governor in Council evidenced by letters patent elect to renounce its existing borrowing powers and to accept those conferred by this Act. Alteration of borrowing powers.

(2) Such alteration of borrowing powers shall not prejudice or affect any existing rights of creditors or any obligations entered into by such corporation prior to such assent. Rights of creditors preserved. R.S.O. 1927, c. 223, s. 41.

Loan Corporations and Loaning Land Corporations.

46. Sections 47 to 58 shall apply to corporations incorporated under the law of Ontario or having their head offices in Ontario other than trust companies, and also to all loan corporations borrowing in Ontario by taking deposits or issuing debentures, debenture stock or like obligations, and to all loaning land corporations so borrowing by issuing debentures, debenture stock or like obligations. Application of ss. 47 to 58. R.S.O. 1927, c. 223, s. 42.

Amount of capital to be subscribed and paid before borrowing.

47.—(1) No corporation constituted with joint stock capital, unless and until it has a subscribed permanent stock of at least \$300,000 on which at least \$100,000 has been actually paid in and is unimpaired, and no corporation constituted without joint stock capital, unless and until it has a paid up, unimpaired, permanent and non-withdrawable capital of at least \$100,000, shall exercise any of the borrowing powers conferred by this Act.

Borrowing powers.

(2) Where a registered corporation constituted with joint stock capital has subscribed permanent stock of at least \$300,000, on which at least \$100,000 has been actually paid in and is unimpaired, or where a registered corporation constituted without joint stock capital has a paid up, unimpaired, permanent and non-withdrawable capital of at least \$100,000, subject to the limitations and restrictions contained in this Act, the directors, pursuant to powers conferred in that behalf by any by-laws or rules of the corporation passed at any general meeting, called with due notice of such proposed by-laws and rules, may borrow money on behalf of the corporation at such rates of interest, and upon such terms as they from time to time think proper, and may for that purpose, subject as hereinafter provided, receive money on loan or on deposit, other than and in addition to money received in respect of stock and shares of the corporation, and issue debenture stock and terminable debentures, bonds and other obligations, as well as execute mortgages under the seal of the corporation, for sums of not less than \$100 each, or may assign, transfer or deposit by way of equitable mortgage or otherwise, for the sum so borrowed, any of the documents of title, deeds, muniments, securities or property of the corporation, and either with or without power of sale or other special provisions, as they deem expedient. R.S.O. 1927, c. 223, s. 43.

Loan corporations receiving money on deposit.

48.—(1) A loan corporation shall not, without the express consent of the shareholders given at a general meeting called with due notice of the proposal, receive money on deposit, otherwise than in respect of shares or stock of the corporation, and when money is otherwise received on deposit the same shall, for the purposes of this Act, be deemed to be money borrowed by the corporation, and with interest thereon as agreed shall be repayable by the corporation either at a time certain, or upon notice, not being less than thirty days, unless notice, or such notice, is waived.

Other corporations.

(2) A corporation which is authorized to carry on any other business than that of lending money shall not be entitled to receive deposits; but this shall not apply to a loaning

land corporation which was authorized to receive deposits by letters patent issued under any former Act and which is now exercising this power.

(3) In respect of deposits, creditors shall rank upon the assets of the corporation *pari passu* with the holders of debentures and debenture stock. Ranking of creditors on deposits.

(4) The amount to be received by any corporation entitled as hereinbefore provided to receive deposits shall not at any time exceed an amount equal to twice the aggregate amount of the then actually paid in and unimpaired permanent capital and of the then actual reserve fund of the corporation plus the amount of its cash actually in hand or in any chartered bank to the credit of the corporation and beneficially owned by the corporation and not included in either the permanent capital or reserve fund. Limit of deposits.

(5) No dividend or bonus shall be paid or declared either wholly or in part out of the reserve fund which has the effect of diminishing such aggregate below the amount required by this Act for the borrowings of the corporation. R.S.O. 1927, c. 223, s. 44. Dividends, etc., not to be paid out of reserve.

49. Every loan company receiving deposits shall make a sworn return to the Registrar quarterly on the 15th days of January, April, July and October in each year, drawn in accordance with the form prescribed from time to time by the Registrar, showing the amount of such deposits and showing the amount of cash on hand and on deposit and the amount of debentures, bonds, stock or other securities of or guaranteed by the Dominion of Canada, and of or guaranteed by any province of Canada less any incumbrances thereon and the amount of bonds, debentures and other securities of any municipal corporation in Ontario, or of any city in Canada, less any incumbrances thereon and the bonds or debentures issued by any incorporated company in respect of which bonds or debentures annual or semi-annual subsidy payments sufficient to pay both principal and interest thereof are, by virtue of any general Act of the Dominion of Canada, payable by the Government of the Dominion of Canada to a trust company as trustee for the holders of such bonds or debentures, and the principal amount of any moneys payable to the company on demand, the payment of which is secured by the mortgage or pledge of any of the securities hereinbefore in this section mentioned as the said amounts stood at the end of the last preceding month, and stating that the same were at the date mentioned in such return on hand and available for depositors. R.S.O. 1927, c. 223, s. 45; 1929, c. 54, s. 8; 1935, c. 36, s. 3. Quarterly return by loan company as to deposits.

Denomina-
tion and
term of
debentures.

50.—(1) Debentures shall be for such sums, not being less than \$100, and in such currency as the directors deem advisable, and shall be payable not less than one year, nor more than ten years, from the issue thereof, at such place as may be therein mentioned.

Limit of
borrowing
powers of
loan cor-
porations.

(2) The total amount borrowed by a corporation on debentures and other securities and by way of deposits shall not exceed four times the aggregate amount of the then actually paid in and unimpaired permanent capital and of the then actual reserve fund of the corporation, plus the amount of its cash actually on hand or in any chartered bank of Canada, to the credit of the corporation and beneficially owned by the corporation and not included in either the permanent capital or reserve fund provided that the Lieutenant-Governor in Council may, on the report of the Registrar, and upon such terms and conditions as may be prescribed, increase the amount which may be borrowed, to a sum not exceeding eight times the aggregate amount from time to time of such permanent capital and reserve fund and cash.

Enlarged
borrowing
powers not
to prejudice
certain
debenture
holders.

(3) In the event of a corporation incorporated before the 4th day of May, 1891, availing itself of the provisions of this Act, or having availed itself of the provisions of any Act of Ontario passed after the 3rd day of May, 1891, to enlarge its powers of borrowing money by debentures nothing herein shall affect or impair the rights of the holders of debentures issued by such corporation. R.S.O. 1927, c. 223, s. 46.

Deduction to
be made in
estimating
the paid in
capital.

51. In ascertaining the extent of the borrowing powers of a corporation all loans or advances to its shareholders upon the security of their shares shall be deducted from the amount of the paid in capital. R.S.O. 1927, c. 223, s. 47.

Issuing
debenture
stock.

52. The directors of a registered corporation to which subsection 2 of section 47 applies may, from time to time with the consent of a majority of the shareholders, present in person or represented by proxy, at a general meeting called with due notice of the proposal, issue debenture stock which shall be treated and considered as a part of the debenture debt, authorized by section 50, in such amounts and manner, on such terms and bearing such rate of interest, and in such currency as the directors from time to time think proper, but so that the amount received as money deposits and borrowed on the security of debentures, mortgages, bonds, or other instruments or debenture stock shall not in the whole exceed the aggregate amount fixed by sections 48, 50 and 51, as the limit of the borrowing powers of the corporation. R.S.O. 1927, c. 223, s. 48.

53. The holders of debenture stock shall not in respect thereof have any of the rights of shareholders, but, subject to sections 48 and 54, shall be entitled to the rights and powers of mortgagees of the undertaking to the extent provided in the by-laws of the corporation authorizing such debenture stock, but without the right to require repayment of the principal money paid in respect thereof. R.S.O. 1927, c. 223, s. 49.

Rights of holders of debenture stock.

54.—(1) Debenture stock shall rank equally with debentures issued, or to be issued, by the corporation, and the holders thereof shall not be liable or answerable for any debts or liabilities of the corporation.

Debenture stock, how ranked.

(2) In case of a liquidation of the corporation, or other distribution of its assets, a holder of debenture stock shall for arrears of interest, if any, and for the then present or capitalized value of the future interest annually payable rank *pari passu* with depositors and debenture holders. R.S.O. 1927, c. 223, s. 50.

Ranking of debenture stockholders in respect of interest.

55. The corporation shall cause entries of the debenture stock from time to time created to be made in a register, to be known as the Debenture Stock Register, which, in the case of a corporation having its head office in Ontario, shall be kept for that purpose at the head office, wherein shall be entered the names and addresses of the several persons and corporations from time to time entitled to the debenture stock, with the respective amounts of the stock to which they are respectively entitled, and the register shall, during reasonable business hours of every day, except holidays, be accessible for inspection and perusal by himself or his agent to every debenture holder, mortgagee, bondholder, debenture stockholder and shareholder of the corporation without the payment of any fee or charge. R.S.O. 1927, c. 223, s. 51.

Register of debenture stock.

56.—(1) Debenture stock shall be transferable in such amounts and in such manner as the directors may determine.

Transfer of debenture stock.

(2) All transfers thereof shall be registered at the head office.

Registry of transfer.

(3) The corporation may have transfer books for the purposes of such debenture stock at such place or places in Canada, in Great Britain and Ireland, or any foreign country in which transfers of the stock may be made; but all such transfers shall be entered in the book to be kept at the head office. R.S.O. 1927, c. 223, s. 52.

Transfer books out of Ontario.

Certificates
of debenture
stock.

57. The corporation shall deliver to every holder of debenture stock a certificate stating the amount of the debenture stock held by him, the rate of interest payable thereon and the terms and conditions to which the stock is subject, and all regulations and provisions for the time being applicable to certificates of shares in the capital stock of the corporation shall apply, *mutatis mutandis*, to certificates of debenture stock. R.S.O. 1927, c. 223, s. 53.

Exchange of
debentures
for, and re-
demption of
debenture
stock.

58. The holders of debentures of the corporation may, with the consent of the directors, at any time exchange such debentures for debenture stock, and the corporation may from time to time purchase in the open market and, with the consent of the holders thereof, redeem any part of the debenture stock representing money which the directors, by resolution, determine not to be required for the business of the corporation. R.S.O. 1927, c. 223, s. 54.

AMALGAMATION OF CORPORATIONS AND PURCHASE AND SALE OF ASSETS.

Loan Companies and Loaning Land Companies.

Power to
unite with
other cor-
porations
and to pur-
chase or sell
assets.

59. A corporation to which subsection 2 of section 47 applies may, as hereinafter prescribed, unite, merge, amalgamate and consolidate its stock, property, business and franchises with those of any other registered corporation, or may sell its assets to any such corporation which is hereby authorized to purchase the same, or may purchase the assets of any such corporation which is hereby authorized to sell the same, and for the purpose of carrying out such purchase or sale the corporation purchasing shall assume the liabilities of the corporation selling, and may enter into such bond or agreement of indemnity with the corporation or the individual shareholders thereof, or both, as may be necessary, and may enter into the contracts and agreements necessary to such union, merger, amalgamation, consolidation, sale, purchase or acquisition. R.S.O. 1927, c. 223, s. 55.

Directors
may make
agreement
for amal-
gamation or
for purchase
or sale of
assets.

60.—(1) The directors of a corporation to which subsection 2 of section 47 applies, and of any other corporation mentioned in section 59, may enter provisionally into a joint agreement under the corporate seal of each of the corporations for the union, merger, amalgamation or consolidation of such corporations, or for the sale or purchase by the one corporation of the assets of the other corporation.

Matters to
be specified
in agree-
ment.

(2) The agreement shall prescribe the terms and conditions of the proposed transaction, and the mode of carrying the same into effect.

(3) If the two corporations are to be merged into one corporation the agreement shall specify the name of the new or of the continuing corporation, and the number of directors and other officers thereof, and shall state who shall be the first directors and officers, the capital stock, the number of shares into which such stock is divided, the par value of the shares and the manner of converting the capital stock of each of the existing corporations into that of the new or continuing corporation.

(4) The agreement shall contain such other details as the directors of the several corporations deem necessary to perfect the new organization, and the union, merger, amalgamation and consolidation, and the after management and working thereof, or to complete the terms and mode of payment for the assets of one corporation sold, purchased or acquired by the other.

(5) In any agreement for the purchase and sale of assets, the consideration may consist wholly or in part of partly paid or of paid up shares of the permanent capital stock of the purchasing corporation.

(6) Such agreement, or if no agreement has been entered into but an offer has been made by a corporation under its corporate seal for the purchase of the assets of another corporation such offer, shall be submitted to the shareholders of each corporation at a meeting thereof to be held separately for the purpose of taking the agreement or the offer into consideration.

(7) Notice of the time and place of the meeting of the corporation in which he holds shares and the objects thereof shall be given by written or printed notice addressed to every shareholder, together with a copy of the proposed agreement, at his last known post office address or place of residence, and also by a general notice in a newspaper published at the chief place of business of the corporation once a week for six successive weeks.

(8) The like notice, together with two copies of the proposed agreement, shall be delivered to the Registrar at least one month before the date of either of the meetings of shareholders called to consider it. R.S.O. 1927, c. 223, s. 56.

61. At each of the meetings of shareholders the agreement or offer shall be considered, and a vote by ballot taken for the ratification or acceptance, or for the rejection of the same, each share entitling the holder thereof to one vote and the ballots being cast in person or by proxy, and if two-

thirds of the votes of all the shareholders of each corporation, representing not less than two-thirds in value of its paid in capital or stock, are for the ratification of the agreement or the acceptance of such offer, that fact shall be certified upon the agreement or offer by the secretary or manager under the corporate seal. R.S.O. 1927, c. 223, s. 57.

Who may
vote.

62. The shareholders who may vote at any such meeting shall be those only whose names are duly entered in the books of the corporation at the date of the first publication of the notice calling the meeting, and they shall vote only upon the shares then standing in their respective names. R.S.O. 1927, c. 223, s. 58.

Dispensing
with rati-
fication.

63. The Lieutenant-Governor in Council, in the case of a proposed purchase of assets, may dispense with the ratification or acceptance of the agreement or offer by the shareholders of the purchasing corporation where it is shown to his satisfaction that such shareholders, after due notice thereof, have ratified a general resolution or by-law authorizing the purchase of the assets of any loan corporation upon the basis and within the limits specified in such agreement or offer. R.S.O. 1927, c. 223, s. 59.

Ratified
agreement
to be filed
with
Registrar
for assent.

64.—(1) If the agreement is ratified or the offer is accepted at the meeting of the shareholders of each of the corporations, or in the case provided for in section 63 at the meeting of the shareholders of the selling corporation, the agreement or offer, with the certificates or certificate thereon, shall be filed with the Registrar.

Assent of
Lieutenant-
Governor
in Council.

(2) The Registrar shall submit such agreement or offer for the assent of the Lieutenant-Governor in Council.

Effect of
assent.

(3) After the assent of the Lieutenant-Governor in Council thereto the agreement or offer shall be deemed to be the agreement and act of union, amalgamation and consolidation of the corporations, or the agreement and deed of purchase and acquisition of the assets of the selling corporation by the purchasing corporation. R.S.O. 1927, c. 223, s. 60.

Certificate
of assent by
Minister.

65.—(1) Upon proof that the foregoing requirements have been duly complied with the Minister shall issue a certificate under his hand and seal certifying the assent of the Lieutenant-Governor in Council and the date thereof, and declaring the purchase and the sale of the assets and the names of the corporations parties thereto, or, in the case of amalgamation, declaring the amalgamation of the corporations, naming them, and the name of the new or of the con-

tinuing corporation, together with such other matters, if any, as may appear to him necessary or desirable in the public interest.

(2) The certificate of the Minister shall for all purposes be in all courts be conclusive evidence of all matters therein certified or declared. Effect as evidence.

(3) The Registrar shall give public notice in the *Ontario Gazette* of the issue of the Minister's certificate. Publication.

(4) It shall be sufficient to register a certified copy of the Minister's certificate once for all in each registry division or land titles office in which instruments affecting lands or interests in lands included or intended to be included in the transfer or amalgamation, are registered. Registration of certificate of assent to amalgamation, etc.

(5) The fee payable for the registration thereof shall be \$1 if the certificate is five folios or under, and for each folio above five, ten cents additional. Fee payable for registration.

(6) Any document under the hand, or purporting to be under the hand, of the Registrar, certifying such document to be or to contain a true copy of the Minister's certificate or of any instrument referred to in such certificate, shall be registered by the Registrar in any registry division, or by the master or local master of titles upon the same being tendered to him for registration accompanied by the proper fee. Certificate of Registrar, registration of.

(7) The certificate shall be entered in the general register of the registry division or in the book kept in the land titles office. Registration in general register.

(8) Copies so certified of any such certificate or instrument shall be received by the master of titles and local masters of titles, under the provisions of *The Land Titles Act*, as conclusive evidence of all matters therein certified or declared. Certified copies of certificate as evidence before master of titles. Rev. Stat. c. 171.

(9) For the purpose of any instrument required to be registered or filed under *The Bills of Sale and Chattel Mortgage Act*, it shall be sufficient in order to show the transmission of title in respect of any personal property or interest in personal property included, or intended to be included, in a transfer or amalgamation, such as is mentioned in section 64 and this section, if the instrument affecting such property or interests recites the certificate registered as provided in subsection 4, and states the registry division in which the same is registered and its registration number. As to bills of sale and chattel mortgages. Rev. Stat. c. 181.

(10) This section shall extend to and include any such certificate or certified copy issued or purporting to have been issued under *The Loan Corporations Act* since the 13th day of April, 1897. R.S.O. 1927, c. 223, s. 61. Application of section. R.S.O. 1897, c. 205.

Evidence of
assent of the
Lieutenant-
Governor
in Council.

66. The Registrar may, by a certificate under his hand and seal, endorsed upon or identifying the agreement or offer mentioned in subsection 6 of section 60, or any counterpart or copy thereof, certify that such agreement or offer has been assented to by the Lieutenant-Governor in Council, and his certificate with a copy of the Order-in-Council attached shall be *prima facie* evidence of such assent. R.S.O. 1927, c. 223, s. 62.

Assets of
selling cor-
poration to
vest in pur-
chasing cor-
poration.

67.—(1) In the case of a purchase and sale of assets so assented to, the assets of the selling corporation shall become absolutely vested in the purchasing corporation on and from the date of such assent without any further conveyance and the purchasing corporation shall thereupon become and be responsible for the liabilities of the selling corporation.

Disposal of
assets by
purchasing
corporation.

(2) In dealing with the assets of the selling corporation it shall be sufficient for the purchasing corporation to recite the agreement and the assent of the Lieutenant-Governor in Council thereto, with the date of such assent.

Rights of
creditors.

(3) No such transfer shall affect the rights of any creditor of the transferring corporation.

Privity of
contract
between
purchasing
corporation
and each
creditor
of selling
corporation.

(4) By every such agreement made or purporting to be made under this Act the purchasing corporation shall be deemed to covenant and agree with each creditor of the selling corporation that the purchasing corporation will pay to him the sum in which the selling corporation is indebted to him at such time and place as such sum would have been payable had such agreement not been made.

Dissolution
of selling
corporations
and of
corporations
amalgamated.

(5) Where the Lieutenant-Governor in Council assents to an agreement for the sale of the assets of a corporation, or to an agreement for the amalgamation of two or more corporations, the selling corporation, or the several corporations amalgamated, as the case may be, shall, from the date of such assent, be dissolved except so far as is necessary to give full effect to the agreement. R.S.O. 1927, c. 223, s. 63.

Property and
rights of both
companies
vested in new
corporation.

68.—(1) In the case of an amalgamation the corporations parties thereto shall, from the date of the assent of the Lieutenant-Governor in Council, be consolidated and amalgamated and be merged in and form one corporation by the name stated in the Minister's certificate, and shall, subject to the law of Ontario, possess all the rights, privileges and franchises of each of the amalgamated corporations.

Business
and property
vested in new
corporation.

(2) From the date of the assent all the business, property, real and personal, and all the rights and incidents appurtenant thereto, all stock, mortgages, or other securities, subscrip-

tions and other debts due on whatsoever account, and other things in action belonging to each of such corporations shall be vested in the new or continuing corporation without further act or deed.

(3) All rights of creditors and liens upon the property of each of the corporations shall be unimpaired by the amalgamation. Creditors' rights.

(4) All debts, liabilities and duties of each of the amalgamated corporations shall thenceforth attach to the new or continuing corporation, and may be enforced against it to the same extent as if the same had been incurred or contracted by it. R.S.O. 1927, c. 223, s. 64. Debts and liabilities.

Trust Companies.

69.—(1) In this section "fiduciary" shall include trustee, executor, administrator, assignee, guardian, committee, receiver, liquidator or agent, and "instrument" shall include every will, codicil, or other testamentary document, settlement, instrument of creation, deed, mortgage, assignment, Act of the Legislature, and a judgment, decree, order, direction and appointment of any court, judge, or other constituted authority. R.S.O. 1927, c. 223, s. 65 (1). Interpretation. "Fiduciary." "Instrument."

(2) Sections 59 to 68 shall apply to the purchase and sale of the assets of a trust company by and to another and to the amalgamation of trust companies and to the sale of the assets of a loan corporation to a trust company, such corporations being incorporated under the law of Ontario or having their head offices in Ontario, and registered under this Act, provided that, in the case of the sale of the assets of a loan corporation to a trust company, the purchasing trust company shall definitely set aside in respect of any debentures and deposits of the vendor loan company of which the purchaser assumes payment, securities, including loans upon securities or cash, equal to the aggregate amount of such debentures and deposits in accordance with the provisions of subsection 2 of section 17 and subsection 4 of section 18. R.S.O. 1927, c. 223, s. 65 (2); 1935, c. 36, s. 4. Sections 59 to 68 to apply to trust corporations.

(3) On and from the assent of the Lieutenant-Governor in Council, as provided in subsection 1 of section 65, to the purchase and sale, or to the amalgamation, all trusts of every kind and description, including incomplete or inchoate trusts, and every duty assumed by or binding upon either of the corporations, parties to the purchase and sale, or to the amalgamation, shall be vested in and bind and may be enforced against the purchasing or new or continuing corpora- Trusts to pass to new corporations.

tion as fully and effectually as if it had been originally named as the fiduciary in the instrument.

Subject matter of trust to vest in new corporation.

(4) Whenever in any instrument any estate, money or other property, or any interest, possibility or right is intended at the time or times of the publishing, making or signing of the instrument to be thereafter vested in or administered or managed by or put in the charge of the selling corporation or of either of the amalgamated corporations as the fiduciary, the name of the new or continuing corporation shall be deemed to be substituted for the name of the old corporation, and such instrument shall vest the subject matter therein described in the new or continuing corporation according to the tenor of, and at the time indicated or intended by the instrument, and the new or continuing corporation shall be deemed to stand in the place and stead of the old corporation.

References in will or codicil.

(5) Where the name of the selling corporation or of either of the amalgamated corporations appears as executor, trustee, guardian, or curator in a will or codicil such will or codicil shall be read, construed and enforced as if the new or continuing corporation was so named therein, and it shall, in respect of such will or codicil, have the same status and rights as the selling or amalgamating corporation.

Duties of old corporation not completed.

(6) In all probates, administrations, guardianships, curatorships or appointments of administrator or guardian *ad litem* heretofore issued or made by any court of Ontario to the selling corporation or to either of the amalgamated corporations, from which at the date of such assent it had not been finally discharged, the new or continuing corporations shall *ipso facto* be substituted therefor. R.S.O. 1927, c. 223, s. 65 (3-6).

SHAREHOLDERS AND DEPOSITORS.

Co-partners and corporate bodies.

70. Corporate bodies and co-partners may hold shares in any registered corporation. R.S.O. 1927, c. 223, s. 66.

Certain minors may make deposits.

71. A person not of the full age of twenty-one years may deposit money with a registered corporation in his own name, and the same may be repaid to him, and he may give a valid discharge therefor, notwithstanding his minority. R.S.O. 1927, c. 223, s. 67; 1929, c. 54, s. 9.

EXECUTION OF TRUSTS.

Trusts.

72.—(1) A corporation shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any share of its stock, or any deposit, debenture, or debenture stock may be subject.

(2) The receipt of the person in whose name any such share, deposit, debenture or debenture stock stands in the books of the corporation shall be a sufficient discharge to the corporation for any payment made in respect thereof, notwithstanding any trust to which the same may then be subject and whether the corporation has or has not had notice of such trust.

Sufficient discharge.

(3) A corporation shall not be bound to see to the application of the money paid upon such receipt.

Application of money paid.

(4) No person holding shares in the corporation as executor, administrator, guardian, committee of a mentally incompetent person, or trustee of or for any estate, trust or person named in the books of the corporation as being so represented by him, shall be personally subject to any liability as a shareholder, but the estate and funds in his hands shall be liable in like manner and to the same extent as the testator, intestate, ward or person interested in such trust fund would be if living and competent to hold the shares in his own name.

Representatives, guardians, or trustees not to be personally liable.

(5) If the trust is for a living person, not under disability, such person also shall be liable as a shareholder.

Liability of beneficiary.

(6) If such testator, intestate, ward, mentally incompetent person or person so represented is not named in the books of the corporation the executor, administrator, guardian, committee or trustee shall be personally liable in respect of such shares as if he held them in his own name as owner thereof. R.S.O. 1927, c. 223, s. 68.

Where beneficiary, etc., not named, trustee, etc., liable.

73. A corporation incorporated under the law of Ontario may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute on its behalf, deeds to which it is a party in any capacity in any place situate within or without the Province of Ontario, and every deed signed by such attorney, on behalf of the corporation and under his seal, shall bind the corporation and have the same effect as if it were under the common seal of the corporation. R.S.O. 1927, c. 223, s. 69.

Power of attorney by company.

74.—(1) A corporation incorporated under the law of Ontario may have for use in any territory, district or place not situate in the Province of Ontario an official seal, which shall be a facsimile of the common seal of the corporation, with the addition on its face of the name of every territory, district or place where it is to be used.

Power of company to have official seal for use abroad.

(2) A corporation having such an official seal may, by writing under its common seal, authorize any person appointed

Authority to agent to affix seal.

for the purpose in any territory, district or place not situate in the Province of Ontario, to affix the same to any deed or other document to which the company is party in any capacity in that territory, district or place.

Duration of agent's authority to bind company.

(3) The authority of any such agent shall, as between the corporation and any person dealing with the agent, continue during the period (if any) mentioned in the instrument conferring the authority, or if no period is therein mentioned, then until notice of the revocation or termination of the agent's authority has been given to the person dealing with him.

Certifying date and period of sealing.

(4) The person affixing any such official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

Official seal to have same effect as common seal.

(5) A deed or other document to which an official seal is duly affixed shall bind the corporation as if it had been sealed with the common seal of the corporation. R.S.O. 1927, c. 223, s. 70.

EXECUTION CREDITORS; NOMINATION BY INVESTOR OR DEPOSITOR; INTESTACY; PAYMENTS UNDER MISTAKE; TRANSMISSION OF INTEREST.

Disposition of proceeds of sale under mortgages.

75.—(1) Any surplus not exceeding \$300 over and above the amount due to the corporation, including costs, derived from the sale under power of sale of any property mortgaged to the corporation, where the mortgagor or his assigns has or have died intestate, shall be personal property, whether the sale took place before or after the death of the mortgagor or person entitled to the equity of redemption.

Rights of execution creditors.

(2) Where the surplus exceeds \$300 nothing in this section shall prejudice any right or lien of an execution creditor in respect of such excess. R.S.O. 1927, c. 223, s. 71.

Exemption.

76. To the extent of \$300 the amount standing to the credit of any depositor in a registered corporation shall not, while in the hands of the corporation or while in course of transmission from the corporation, be liable to demand, seizure or detention under legal process as against the depositor or his nominee, assignee, or representative, or as against any person to whom the corporation is by sections 77 and 78 authorized to pay said sum. R.S.O. 1927, c. 223, s. 72.

When depositors may nominate a successor.

77.—(1) A depositor with a corporation having on deposit a sum not exceeding \$600 may, from time to time, by a writing signed by him and deposited with the corporation,

nominate any person to receive the money at his death. R.S.O. 1927, c. 223, s. 73 (1); 1929, c. 54, s. 10.

(2) Upon receiving an affidavit of the death of the depositor the directors may substitute on the books of the corporation the name of the nominee in the place of the depositor, or may immediately pay to the nominee the amount due to the deceased. R.S.O. 1927, c. 223, s. 73 (2).

Substitution of nominee on death of depositor.

78. If a depositor with a corporation, having on deposit a sum not exceeding \$600, dies intestate and without making such nomination, the amount due may, without letters of administration being taken out, be paid to the person who appears to the directors to be entitled under *The Devolution of Estates Act* to receive the same, upon receiving an affidavit of the death and intestacy, and that the person claiming is so entitled. R.S.O. 1927, c. 223, s. 74; 1929, c. 54, s. 10.

Disposition of funds of intestate members.
Rev. Stat. c. 163.

79. Where the directors, after the death of a depositor, have paid such sum to the person who at the time appeared to be entitled to the same under the belief that the depositor died intestate without having appointed any nominee the payment shall be valid and effectual with respect to any demand from any other person as next of kin or as the lawful representative of the deceased against the corporation; but the next of kin or representative shall be entitled to recover the amount of such payment from the person who received the same. R.S.O. 1927, c. 223, s. 75.

Payments by mistake by the corporation, when valid.

STATUTORY MEETING.

80.—(1) Every corporation shall, within a period of not less than one month nor more than three months from the date at which the corporation is entitled to commence business, hold a general meeting of its shareholders which shall be called the statutory meeting.

Statutory meetings.

(2) The directors shall, at least ten days before the day on which the meeting is to be held, forward to every shareholder of the corporation a report certified by not less than two directors of the corporation stating,—

Report to be sent to shareholders.

(a) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;

(b) the total amount of cash received by the corporation in respect of such shares, distinguished as aforesaid;

- (c) an abstract of the receipts and payments of the corporation on capital account to the date of the report, and an account or estimate of the preliminary expenses of the corporation;
- (d) the names, addresses and descriptions of the directors, auditors, if any, manager, if any, and secretary of the corporation; and
- (e) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification.

Report to be
certified by
auditors.

(3) The report, so far as it relates to the shares allotted by the corporation, and to the cash received in respect of such shares, and to the receipts and payments of the corporation on capital account, shall be certified as correct by the auditors, if any, of the corporation.

Report to be
filed with
Registrar.

(4) The directors shall cause a copy of the report, certified as by this section required, to be filed with the Registrar forthwith after the sending thereof to the shareholders of the corporation.

Lists of
shareholders
to be pro-
duced at
meeting.

(5) The directors shall cause a list showing the names, descriptions and addresses of the shareholders, and the number of shares held by them, respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any shareholder of the corporation during the continuance of the meeting.

Shareholders
may discuss
business of
company at
meeting.

(6) The shareholders present at the meeting shall be at liberty to discuss any matter relating to the formation of the corporation, or arising out of the report, whether previous notice has been given or not, but no resolution of which notice has not been duly given may be passed.

Adjourn-
ments.

(7) The meeting may adjourn from time to time, and at any such adjourned meeting any resolution of which notice has been duly given, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

Application
to court
if default
made in
holding
meeting.

(8) If default is made in filing such report or in holding the statutory meeting, then at the expiration of fourteen days after the last day on which the meeting ought to have been held any shareholder may petition the court for the winding up of the corporation, and the court may either direct that the corporation be wound up or give directions for the report being filed or a meeting being held, or make

such other order as may be just, and may order that the costs of the petition be paid by any persons who, in the opinion of the court, are responsible for the default. R.S.O. 1927, c. 223, s. 76.

GENERAL MEETINGS OF SHAREHOLDERS.

81.—(1) A general meeting of the shareholders shall be held at least once in each year for the purpose of considering the financial statement of the corporation, and the election of directors and auditors, and the transaction of such other business as is proper at such regular general meeting under the law of Ontario and the by-laws of the corporation. R.S.O. 1927, c. 223, s. 77 (1). Annual general meeting.

(2) Notice of the time and place of the holding of the annual general meeting of the shareholders shall be delivered, or shall be sent by post to the address of each shareholder so far as the same is known, or, on request, to his proxy residing in North America or the United Kingdom, and such notice of the meeting shall be so delivered or sent at least ten days previously to the time fixed for holding such meeting, and a copy of the annual statement of the directors shall accompany the notice. R.S.O. 1927, c. 223, s. 77 (2); 1929, c. 54, s. 11. Notice of annual meeting.

82.—(1) The directors shall have the right at any time by resolution of the board passed in that behalf to call a special general meeting of the shareholders for the transaction of any business specified in such resolution. Special general meetings by resolution of directors;

(2) One-fourth part in value of the shareholders of the corporation shall, by requisition delivered to the manager, acting manager, or secretary thereof, have at all times the right to have a special general meeting called by such officer for the transaction of any business specified in such requisition. or on requisition of shareholders.

(3) Notice of the holding of every special general meeting of the shareholders, specifying the time and place of the meeting and the business to be transacted thereat, shall be delivered, or shall be sent by registered post, to the address of each shareholder, so far as the same is known, at least ten days before the day appointed for the meeting. Notice required for special general meeting.

(4) No other business shall be transacted at any such meeting unless all the shareholders are present in person or by proxy and unanimously consent thereto. Other business not to be transacted except by unanimous consent.

(5) Before the business of any special general meeting is proceeded with there shall be produced and read a statutory declaration of the manager, acting manager or secretary of Proof of notice.

the corporation that the requirements of this section as to notice have been fully complied with.

Minutes.

(6) A copy of the notice so delivered or sent, and of such declaration in relation thereto, shall be entered in the minute book of the corporation as part of the proceedings of the meeting. R.S.O. 1927, c. 223, s. 78.

Penalty.

83. Any director or officer of any provincial corporation wilfully neglecting or omitting to give effect to the requisition mentioned in section 82, or to give the notice of any general meeting required by section 81 or 82 shall be guilty of an offence. R.S.O. 1927, c. 223, s. 79.

Voting
power of
share-
holders.

84. At all meetings of shareholders of the corporation a shareholder shall have one vote for each share held by him upon which he is not six months in arrear. R.S.O. 1927, c. 223, s. 80.

Proxies.

85. A shareholder may either vote in person or be represented and vote by a proxy who is a shareholder of the corporation and not six months in arrear. R.S.O. 1927, c. 223, s. 81.

Minute
book of
corporation.

86. The transactions of all general meetings of the corporation and of all meetings of the board of directors shall be entered in a book to be known as the minute book of the corporation. R.S.O. 1927, c. 223, s. 82.

BY-LAWS.

Shareholders
may make
by-laws.

87. A meeting of the shareholders, called with due notice thereof, may make such lawful and proper by-laws for the government of the corporation, not repugnant to the provisions of this Act or any other law in force in Ontario, as the majority of the shareholders present in person or by proxy deem meet. R.S.O. 1927, c. 223, s. 83.

To be sealed.

88. Every by-law shall be reduced to writing and shall have affixed thereto the common seal of the corporation, and shall be receivable in evidence without proof of the seal or of the signature or of the official character of the person or persons appearing to have signed the same, and without further proof thereof. R.S.O. 1927, c. 223, s. 84.

Evidence
thereof.

By-laws
to be
recorded.

89.—(1) The by-laws shall be forthwith recorded in a book to be kept by the corporation for that purpose and to be known as the "By-law Book."

(2) Such book shall, without the payment of any fee or charge, during reasonable business hours of every day, except holidays, be open for the inspection of any shareholder, depositor, debenture holder, or debenture stockholder by himself or his agent, and every such person may make extracts therefrom. R.S.O. 1927, c. 223, s. 85.

Right to inspect by-law book.

90. Every corporation shall deliver to the Registrar within one month after the passing thereof a certified copy of its by-laws and of every repeal, or addition to, or amendment or consolidation thereof. R.S.O. 1927, c. 223, s. 86.

Copy of by-laws, etc., to be filed with Registrar.

91.—(1) Every corporation doing business in Ontario, if required so to do by the Registrar shall furnish satisfactory evidence that any by-law has been duly passed, and is a legal and valid by-law according to the Act or instrument incorporating the company and also that the by-law conforms to the law of Ontario.

Return of evidence as to by-laws.

(2) A corporation refusing or failing to furnish such evidence promptly shall be liable to have its registry suspended or cancelled. R.S.O. 1927, c. 223, s. 87.

Refusal to furnish evidence.

92.—(1) The shareholders in general meeting may by by-law, of which, as proposed, notice shall be given to each shareholder with the notice of such meeting, empower the directors to make, amend and repeal by-laws for the corporation.

Delegating to directors power to make or amend by-laws.

(2) Every such by-law of the directors and every repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a general meeting of the corporation duly called for that purpose, shall have force only until the next annual meeting of the corporation, and in default of confirmation thereat shall, at and from that time, cease to have force, and in that case no new by-law to the same or the like effect or re-enactment thereof shall have any force until confirmed at a general meeting.

Confirmation necessary.

(3) The corporation may either at a general meeting duly called for that purpose, or at the annual meeting repeal, amend, vary or otherwise deal with any by-law passed by the directors; but no act done or right acquired under any by-law shall be prejudicially affected by any such repeal, amendment, variation, or other dealing. R.S.O. 1927, c. 223, s. 88.

By-laws may be varied.

93. At such general meeting the shareholders may, by a like vote, alter or amend such by-laws, and may confirm the same as so altered and amended. R.S.O. 1927, c. 223, s. 89.

Alteration at general meeting.

BOARD OF DIRECTORS, ITS CONSTITUTION AND POWERS.

Term of office. **94.**—(1) The term of office of the directors shall not exceed two years.

Number. (2) Where the term of office is one year only the number of directors shall not be less than five.

Idem. (3) Where the term of office is two years the number of directors shall be an even number not less than six, and one-half of the directors shall retire annually at the general meeting in rotation, but shall, if otherwise qualified, be eligible for re-election.

Retirement by lot. (4) Where the term of office is two years the first elected directors shall at their first meeting determine by lot which of them shall retire at the end of the first year. R.S.O. 1927, c. 223, s. 90.

Ballot. **95.**—(1) The election of directors shall be by ballot.

Qualification of directors. (2) No person shall be qualified to be a director unless he is of the full age of twenty-one years and is a shareholder holding, in his own right, shares or stock of the corporation, on which at least \$1,000 has been paid in, and is not in arrear in respect of any call thereon.

Majority to be residents and British subjects. (3) The majority of the directors shall at all times be resident in Ontario and subjects of His Majesty by birth or naturalization. R.S.O. 1927, c. 223, s. 91 (1-3).

New election to fill directorships in such case. (4) Where at an election more than the prescribed number of non-residents and aliens are elected, a new election shall forthwith be held to fill all the directorships to which aliens or non-residents have been elected, and so on until the number of non-residents or aliens is reduced to the prescribed number.

Remuneration. R.S.C., c. 27, s. 159. (5) The remuneration of directors shall be fixed by the shareholders in general meeting. R.S.O. 1927, c. 223, s. 91, (5, 6).

Provision in case of failure of election. **96.** If at any time an election of directors is not held, or does not take effect at the proper time, the corporation shall not be thereby dissolved, but the election may take place at any general meeting of the corporation duly called for that purpose, and the retiring directors shall continue in office until their successors are elected. R.S.O. 1927, c. 223, s. 92.

Interim vacancies. **97.** Vacancies occurring in the board of directors may be filled for the unexpired remainder of the term by the board from among the qualified shareholders of the corporation. R.S.O. 1927, c. 223, s. 93.

98. In every provincial corporation the directors shall and may lawfully exercise all the powers of the corporation except as to such matters as are directed by law or by the by-laws of the corporation to be transacted at a general meeting thereof and have not been by a general meeting delegated to the directors as provided by section 92. R.S.O. 1927, c. 223, s. 94. Powers of directors.

99. The directors shall from time to time elect from among themselves a president and vice-president, and they shall in all things delegated to them act for and in the name of the corporation, and the concurrence of a majority of the directors present at any meeting shall at all times be necessary to any act of the board. R.S.O. 1927, c. 223, s. 95. President and vice-president.

100. On any question before the board each director shall have one vote, and in the event of an equality of votes the president or presiding officer shall have a second or casting vote. R.S.O. 1927, c. 223, s. 96. Casting vote.

101.—(1) The shareholders of a corporation having more than six directors may, at a general meeting called for that purpose, by resolution of two-thirds of the shareholders present in person or by proxy, authorize the directors to delegate any of their powers to an executive committee consisting of not less than three to be elected by the directors from their number. Executive committee.

(2) A committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed upon them by such resolution or by the directors. Committee's powers.

(3) Where directors delegate any of their powers to an executive committee the powers so delegated shall be stated in writing and entered in the minute book of the corporation. R.S.O. 1927, c. 223, s. 97. Delegated powers to be recorded in minute book.

102. Subject to this Act, and to the Act or instrument constituting the corporation and to the by-laws of the corporation, the directors may,— General powers of directors.

- (a) use or cause to be used and affixed the seal of the corporation, and may affix or cause it to be affixed to any document or paper which in their judgment may require the same; Use of seal.
- (b) make and enforce calls upon the shares of the respective shareholders; Making calls.
- (c) declare the forfeiture of all shares on which such calls are not paid; Forfeiture of shares.

Making
payments
and entering
into con-
tracts.

(d) make any payments and advances of money they may deem expedient which are authorized to be made by or on behalf of the corporation, and enter into all contracts for the execution of the purposes of the corporation, and for all other matters necessary to the transaction of its affairs;

Dealing with
property.

(e) generally deal with, sell, exchange, lease and dispose of the lands, property and effects of the corporation in such manner as they deem expedient and conducive to the benefit of the corporation;

Other acts.

(f) do and authorize, assent to or adopt all acts required for the due exercise of any further powers and authorities conferred by this Legislature. R.S.O. 1927, c. 223, s. 98.

By-laws for
particular
purposes.

103. The directors of any provincial corporation, authorized as provided by section 92, may make by-laws, not contrary to law or to the special Act or to this Act, to regulate,—

Stock.

(a) the allotment of stock, the issue of shares, the making of calls thereon, the payment thereof, the issue and registration of certificates of shares or stock, the forfeiture of shares for non-payment, the disposal of forfeited shares and of the proceeds thereof, the transfer of shares or stock, and subject to section 109 hereof the sub-division of existing shares into shares of smaller amount;

Dividends.

(b) the declaration and payment of dividends;

Officers.

(c) subject to the provisions of section 113 the appointment, functions, duties and removal of all agents, officers and servants of the corporation, and their remuneration;

Procedure.

(d) the calling of meetings of the directors and the procedure at such meetings;

Miscellane-
ous.

(e) the conduct in all other particulars of the affairs of the corporation. R.S.O. 1927, c. 223, s. 99.

Payments
on shares in
advance of
calls.

104.—(1) Except with the consent of the directors no payment on account of capital stock shall be made in advance of calls thereon.

Right to
participate
in dividends.

(2) In respect of any sum so paid a shareholder shall be entitled to participate in any dividend declared, but it shall not bear interest and shall not constitute a loan to or a debt of the corporation.

(3) The shareholder shall be entitled to have any such advance payment credited to him *pro tanto* as against subsequent calls. R.S.O. 1927, c. 223, s. 100.

To be credited as against subsequent calls.

TRANSFER OF SHARES.

105.—(1) If the interest of any person in any share in the capital stock, or debenture stock, or in any bond, debenture or obligation of a corporation, not payable to bearer, is transmitted in consequence of the death, or bankruptcy, or insolvency of such person, or by means other than a transfer upon the books of the corporation, the directors shall not be bound to allow any transfer pursuant to such transmission to be entered upon such books, or to recognize such transmission in any manner until a statutory declaration showing its nature and signed by the person claiming by virtue thereof, and also by the former shareholder, if living and competent to make the same, has been filed with the corporation and approved by the directors.

Proof necessary on transmission of shares by death, etc.

(2) If the declaration purports to be so signed and to be made or acknowledged in the presence of a notary public, or of a judge of a court of record, or of a mayor of any city, town or borough or other place, or a British consul or vice-consul, or other accredited representative of the British or Canadian Government, the directors may, in the absence of actual notice of a contrary claim, give full credit to the declaration.

Discretion of directors.

(3) If the transmission takes place by virtue of any testamentary act or instrument, or in consequence of an intestacy, the probate of the will or letters of administration, or testamentary, or other judicial or official document under which the title, whether beneficial or as trustee, or the administration or control of the personal estate of the deceased shall purport to be granted by any court or authority in the Dominion of Canada or in Great Britain or Ireland, or any other of His Majesty's Dominions or in any foreign country or an authenticated copy thereof or official extract therefrom, shall, together with the declaration, be produced and deposited with the manager, secretary-treasurer or other officer named by the directors for the purpose of receiving the same, and such production and deposit shall be sufficient justification and authority, to the directors for paying the amount or value of any dividend, coupon, bond, debenture, obligation or share or transferring or consenting to the transfer of any bond, debenture or obligation or share in pursuance of and in conformity to such probate, letters of administration or other such document as aforesaid, provided

Transfer of shares, under letters probate, etc., issued out of Ontario.

that no such transfer shall be valid until the same has been assented to by the solicitor to the Treasury of Ontario.

Penalty for making transfer without consent.
Rev. Stat. c. 26.

(4) Any corporation allowing such transfer without the said consent shall be liable to the penalty imposed by section 18 of *The Succession Duty Act*. R.S.O. 1927, c. 223, s. 101.

When directors have reasonable doubts as to legality of claim.

106.—(1) Where the directors entertain reasonable doubts as to the legality of any claim to or upon any such share, bond, debenture, obligation, or to or upon any dividend, coupon or the proceeds thereof, they may apply to the Supreme Court, stating such doubt, for an order or judgment adjudicating upon such claim, and awarding such share, bond, debenture, obligation, dividend, coupon or proceeds to the person legally entitled to the same, and the Court may restrain any action or proceeding against the corporation, or the directors or officers thereof, for the same subject matter, pending the determination of the application.

Order of Court to be indemnity to company.

(2) If the order or judgment of the Court is obeyed the corporation and the directors and officers shall be fully protected and indemnified against all actions, claims and demands in respect of the matters in question in such application and the proceedings thereupon. R.S.O. 1927, c. 223, s. 102.

Restrictions on transfer.

107. Subject to subsection 4 of section 108, no by-law shall be passed which in any way restricts the right of a holder of paid up shares to transfer the same, but nothing in this subsection shall prevent the regulation of the mode of transfer thereof. R.S.O. 1927, c. 223, s. 103.

When directors' consent required.

108.—(1) No transfer of shares of a provincial corporation, the whole amount whereof has not been paid, shall be made without the consent of the directors.

Their liability.

(2) Where any such transfer is made with the consent of the directors to a person who is not apparently of sufficient means to fully pay up such shares, subject to subsection 3, the directors shall be jointly and severally liable to the creditors of the company in the same manner and to the same extent as the transferring shareholder, but for such transfer, would have been.

Relief from liability by entering protest.

R.S.C., c. 27, ss. 78, 111.

(3) If any director present when any such transfer is allowed, forthwith, or if any director then absent, within twenty-four hours after he becomes aware of such transfer, and is able to do so, enters on the minute book of the corporation his protest against the same, and within eight days thereafter causes such protest to be notified, by registered

letter, to the Minister and the Registrar, such director shall thereby exonerate himself from such liability.

(4) Where a share upon which a call is unpaid is transferred with the consent of the directors, the transferee shall be liable for the call to the same extent and with the same liability to forfeiture of the shares if the call remains unpaid, as if he had been the holder when the call was made, and the transferor shall remain also liable for the call until it has been paid.

Liability where call remains unpaid.

(5) Where the letters patent or the by-laws of a corporation confer that power on the directors they may decline to register a transfer of shares belonging to a shareholder who is indebted to the corporation. R.S.O. 1927, c. 223, s. 104.

Where transferor indebted.

INCREASE OR DECREASE OF CAPITAL STOCK.

109.—(1) The directors of any registered corporation incorporated by or under the law of Upper Canada or of the Province of Canada, or of Ontario, may, at any time after ninety per centum of the permanent capital stock of the corporation has been subscribed and ninety per centum thereof paid in, but not sooner, by by-law provide for the increase of the permanent capital stock to any amount which the directors may consider requisite.

Increase of permanent capital stock.

(2) The directors may at any time by by-law provide for the decrease of the permanent capital stock to any amount not less than \$100,000, which they may consider sufficient.

Decrease of permanent capital stock.

(3) The by-law shall declare the number and par value of the shares of the stock so increased or decreased and provide for the manner in which they are to be allotted, or the rule or rules by which the allotment is to be made.

By-law to declare number and par value of new shares.

(4) The directors may pass a by-law providing upon terms therein stated for the conversion of partly paid up shares into paid up shares of its permanent capital stock.

Conversion of partly paid-up shares.

(5) The liability of shareholders to persons who, at the time the stock or shares are so increased, decreased, converted or altered, are creditors of the corporation shall remain as though the stock or shares had not been increased, decreased, converted, or altered.

Rights of creditors preserved.

(6) A copy of every such proposed by-law shall be delivered to the Registrar at least six weeks before being passed by the directors.

Copy to Registrar.

(7) Before submission of the by-law to a meeting of shareholders, as provided in subsection 8, such notice shall be given by publication and otherwise as the Registrar shall direct.

Notice of by-law to shareholders.

Such by-laws relating to stock or shares to be confirmed by Order-in-Council.

(8) No by-law for, or having the effect of, increasing or decreasing the permanent capital stock or shares of the corporation, whether such stock or shares are or are not subscribed or issued, or for, or having the effect of, sub-dividing such shares or altering the par value of such shares, or altering the liability of any holder of such stock or shares, or converting partly paid up shares into paid up shares, shall have any force or validity until it has been duly adopted and
 * ratified by a vote of shareholders present or represented by proxy at a general meeting of the corporation duly called for considering such by-law, and holding not less than two-thirds of the issued capital stock of the corporation represented at such meeting, and has afterwards been confirmed by the Lieutenant-Governor in Council.

When confirmation may be granted.

(9) The Lieutenant-Governor in Council may grant such confirmation, if he is satisfied of the *bona fide* character of the changes provided for in the by-law, unless it appears that the confirmation of the by-law would not be in the public interest.

Varying by-law on confirmation.

(10) With the consent of the corporation, evidenced by a resolution of the directors, the changes provided for in any such by-law may be varied or amended by the confirming Order in Council, and may be made subject to such conditions as the Lieutenant-Governor in Council may deem proper.

Evidence of confirmation by Lieutenant-Governor in Council.

(11) The confirmation by the Lieutenant-Governor in Council may be evidenced by a certificate of the Minister or by a certified copy of the Minister's certificate in the like manner and with the like effect as provided in sections 65 and 66.

Certificate to be conclusive.

(12) Such certificate shall be conclusive evidence of all matters therein certified or declared, and of the due performance of all matters precedent or preliminary to the granting thereof. R.S.O. 1927, c. 223, s. 105.

BOOKS TO BE KEPT BY CORPORATIONS.

Record books to be kept and contents.

110.—(1) Every corporation having its head office in Ontario shall cause a book or books to be kept at such head office by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded,—

Copy of constituting instrument.

(a) a copy of the letters patent or other instrument or Act constituting the corporation, and of any instrument or Act amending or supplementing the same;

By-laws.

(b) all by-laws of the corporation;

(c) the names alphabetically arranged of all persons who at and after the passing of this Act are or shall be holders of shares or stock, with the address and calling of every such person while such shareholder, the amounts paid in and remaining unpaid respectively on the stock of each shareholder, and all transfers of stock in their order as presented to the corporation for entry, with the date and other particulars of each transfer, and the date of the entry thereof;

Names of shareholders and their addresses.

Payments.

Transfers.

(d) the like particulars respecting holdings and transfers of debenture stock;

Debenture stock.

(e) the name, address and calling of every person who at and after the passing of this Act is or shall be a director of the corporation, with the dates at which he became and ceased to be such director.

Names, etc., of directors.

(2) Such books shall, without the payment of any fee or charge, during reasonable business hours of every day, except holidays, be kept open for the inspection of shareholders, depositors, and holders of debentures or debenture stock of the corporation and their personal representatives, and every such person may, by himself or his agent, make extracts therefrom.

Books to be open for inspection.

Right to make extracts.

(3) Every such corporation which neglects to keep such book or books shall be liable to forfeit its registry under this Act, and, if a provincial corporation, shall also be liable to forfeit its corporate franchise and rights.

Forfeiture for neglect.

(4) No auditor, director, officer or servant of the corporation shall knowingly make or assist in making any untrue entry in any such book, or shall refuse or neglect to make any proper entry therein.

Penalty for false entries.

(5) Any person violating the provisions of this section shall, besides any criminal liability which he may thereby incur, be liable in damages for all loss or injury which any person interested may have sustained thereby. R.S.O. 1927, c. 223, s. 106.

Liability for damages.

111.—(1) A register of securities shall be kept by every corporation.

Register of securities.

(2) The register of a corporation having its head office in Ontario shall include all securities held by the corporation.

Where head office in Ontario.

(3) The register of any other corporation shall include all the securities held upon or in respect of property in Ontario.

Other corporations.

Entry of securities as taken.

(4) Within thirty days after the taking of a security a proper entry, specifying the nature and amount of such security, and the names of the parties thereto, with their proper additions, shall be made in such register. R.S.O. 1927, c. 223, s. 107.

Terminating shares book.

112.—(1) Every loan corporation in which and so long as there are any holders of terminating shares or stock shall keep a book, or books, to be known as the "Terminating Shares Book," in which shall be entered the name, address and calling of every such person while such shareholder, the number and amount of shares from time to time taken by him, and his several payments thereon, the interest or profits earned by his shares, also the repayments or the advances, if any, made by the corporation on account of his shares.

Entry of forfeiture.

(2) In any case of forfeiture of shares an entry shall be made thereof, with the date of the forfeiture.

Application of subss. 2 to 5 of s. 110.

(3) The provisions of subsections 2 to 5 of section 110 shall apply to the books prescribed by section 111 and this section. R.S.O. 1927, c. 223, s. 108.

AUDIT; STATEMENT TO SHAREHOLDERS.

Annual audit.

113.—(1) The accounts of a corporation shall be examined once at least in every year and the correctness of the balance sheet shall be ascertained by two or more auditors, who shall be accountants.

First auditors.

(2) The first auditors of a corporation may be appointed by the directors before the first meeting of the shareholders and shall hold office until the first general meeting.

Appointment of auditors.

(3) Thereafter the auditors shall be appointed by resolution at a general meeting of the corporation and shall hold office until the next annual meeting unless previously removed by a resolution of the shareholders in general meeting.

Auditors may be shareholders.

(4) The auditors may be shareholders in the corporation, but no person shall be eligible as an auditor who is interested otherwise than as a shareholder in any transaction of the corporation, and no director or other officer of the corporation shall be eligible during his continuance in office.

Registrar may appoint.

(5) If an appointment of auditors is not made at any annual meeting the Registrar may, on the application of any shareholder of the corporation, appoint an auditor of the corporation for the current year, and fix the remuneration, if any, to be paid to him by the corporation for his services.

(6) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act, and any auditor may be eligible for reappointment. Directors may fill vacancies.

(7) The directors may, by a two-thirds vote, suspend any auditor for incapacity, misconduct or negligence until the next general meeting of the corporation, and in the event of suspension shall appoint an auditor *ad interim*. Suspension of auditors.

(8) The remuneration of the auditors shall be fixed by the corporation in general meeting, except that the remuneration of any auditors appointed before the first general meeting or to fill any casual vacancy may be fixed by the directors. Remuneration of auditors.

(9) Every auditor of a corporation shall have the right of access at all times to the books and accounts, cash, securities, documents and vouchers of the corporation, and shall be entitled to require from the directors and officers of the corporation such information and explanation as he may require. Auditor's right of access to books.

(10) It shall be the duty of the auditors, once at least, during their term of office, to check the cash and verify the securities of the corporation at the chief office of the corporation, against the entries in regard thereto in the books of the corporation, and, should they deem it necessary, to check and verify in the same manner the cash and securities at any branch or agency. Checking cash and verifying securities.

(11) The auditors shall make report to the shareholders,— Report to shareholders.

(a) that they have audited the books for the year ending 31st day of December and have verified the cash, bank balances and securities of the corporation;

(b) that they have examined the statement and that it agrees with the books of the corporation;

(c) that after due consideration they have formed an independent opinion as to the position of the corporation;

(d) that with their independent opinion so formed and according to the best of their information and the explanations given them they certify that in their opinion the statement sets forth fairly and truly the state of the affairs of the corporation;

(e) that all transactions of the corporation that have come within their notice have been within the powers of the corporation. R.S.O. 1927, c. 223, s. 109.

Annual
statement
to share-
holders.

114.—(1) Every corporation shall once at least in every year, cause to be prepared a general statement of its affairs in the form prescribed by the Registrar from time to time.

To state that
it is corpora-
tion's state-
ment.

(2) Every such statement shall have on the head thereof a printed notice in conspicuous type stating that the statement is the statement of the corporation.

Attesting
and
verifying.

(3) Every such statement shall be attested by the signature of the president or vice-president and the managing director or some other principal officer of the corporation and shall contain a certificate signed by the auditors certifying as provided in section 113. R.S.O. 1927, c. 223, s. 110 (1-3).

To be mailed
or delivered
to share-
holders.

(4) A copy of such statement shall be mailed or delivered to every shareholder of the corporation at least ten days before the annual meeting without charge. R.S.O. 1927, c. 223, s. 110 (4); 1929, c. 54, s. 12.

and to
debenture
holders and
depositors.

(5) A copy of such statement shall be mailed or delivered without charge to every debenture holder resident in Canada and depositor of the corporation whose deposits shall exceed \$100, within thirty days after the annual meeting has been held. R.S.O. 1927, c. 223, s. 110 (5).

OFFICERS AND SERVANTS; CUSTODY OF BOOKS AND EFFECTS OF CORPORATION.

Directors
to appoint
officers.

115. Subject to section 113 the directors shall from time to time appoint such persons as they think proper to be officers, servants or employees of the corporation, grant such salaries and emoluments as they deem fit, and pay the necessary expenses attending the management of the corporation, and shall from time to time appoint such persons as may be necessary for the purposes of the corporation, for the time and for the purpose expressed in the by-laws, and may from time to time discharge such persons, and appoint others in the room of those who retire, die or are discharged. R.S.O. 1927, c. 223, s. 111.

"Manager"
and
"Managing
Director."

116. The secretary or treasurer or secretary-treasurer or other officer of the corporation may be styled "Manager," and when the officer is also a director he may be styled "Managing Director." R.S.O. 1927, c. 223, s. 112.

Certain
persons in
service of
corporation
to furnish
security.

117. Every officer or other person appointed to any office in anywise concerning the receipt, safe-keeping or proper application of money shall furnish security according to the by-laws of the corporation and to the satisfaction of the directors for the just and faithful execution of the duties of his

office, and any person entrusted with the performance of any other service may be required by the directors to furnish similar security. R.S.O. 1927, c. 223, s. 113.

118.—(1) The books used by any auditor, officer, collector or agent for verifying or recording money received for the corporation shall be the property of the corporation. Property in books of account.

(2) Neither the foregoing persons, nor any solicitor, counsel or other person shall have in or upon these or any other of the books of account or record of the corporation any ownership or proprietary right or any right of lien. Idem.

(3) Any person who, in contravention of this section, withdraws, withholds or detains any of such books from the possession or control of the directors, or from the receiver or liquidator of the corporation, shall be guilty of an offence. Penalty. R.S.O. 1927, c. 223, s. 114.

119. Where a person who has been but has ceased to be a director, manager, auditor, officer, agent, collector, servant or employee of a corporation, or any other person unlawfully retains possession of any accounts, books, money, securities, papers, matters or things which are the property of the corporation, a judge of the Supreme Court or of a county or district court, on application of the corporation or any depositor or shareholder therein or of the Registrar, and upon notice to the person affected, may order that such accounts, books, money, securities, papers, matters and things be forthwith delivered to such person as the judge may direct and in default that the person so retaining possession shall be imprisoned for such period as the judge may direct or until he complies with the direction of the order, and may authorize the sheriff of any county or district in which the same may be found forthwith to seize and take such accounts, books, money, securities, papers, matters and things and deliver the same to the person to whom they have been directed to be delivered. After decease, bankruptcy, etc., of officer, books, etc., to be delivered to corporation. R.S.O. 1927, c. 223, s. 115.

MISAPPLICATION OF MONEYS.

120. In addition to making full restitution and to any liability under the criminal law any director, officer, servant or employee of a corporation who diverts or misapplies any money subscribed to, received by, or belonging to the corporation shall incur a penalty of not less than \$100 or more than \$2,000, recoverable by the corporation by action in the Supreme Court. Penalty for mis-application of funds. R.S.O. 1927, c. 223, s. 116.

ANNUAL STATEMENT TO DEPARTMENT: REGISTRAR'S REPORT.

Annual
statement
to the
Registrar.

121.—(1) The managing director, manager or secretary of every registered corporation shall prepare annually on the 1st day of January, or within two months thereafter, according to a printed form to be supplied on application to the Registrar, a statement of the financial condition and affairs of the corporation up to the 31st day of December next preceding.

Extra pro-
vincial
corporation.

(2) In the case of an extra provincial corporation the Registrar may accept the statement required by subsection 1 as for the then last fiscal year of such corporation.

Certificate
of auditors
on annual
statement.

(3) Such annual statement shall be certified by the auditors of the corporation who shall make an affidavit thereon to the following effect,—

- (a) that they have examined the statement and that it agrees with the books of the corporation;
- (b) that after due consideration they have formed an independent opinion as to the position of the corporation;
- (c) that with their independent opinion so formed and according to the best of their information and the explanations given them, they certify that in their opinion the statement sets forth fairly and truly the state of the affairs of the corporation;
- (d) that all transactions of the corporation that have come within their notice have been within the powers of the corporation.

Affidavit of
president,
etc.

(4) Such annual statement shall also be proved by the affidavit of the president or vice-president and of the managing director, or some other principal officer of the corporation and shall be accompanied by a certified copy of a resolution of the directors showing that the same had been adopted by them.

Time for
filing with
Registrar.

(5) Such annual statement shall be filed with the Registrar on or before the 1st day of March then next ensuing.

Extending
time for
filing of
statement.

(6) On sufficient cause shown and upon payment of the prescribed fee, the Registrar may by writing under his hand and seal, before or after the 1st day of March, extend the time for the filing of the statement.

Penalty for
failure to
file state-
ment or
supply in-
formation.

(7) A corporation which does not file its statement as required by this section, or make prompt and explicit answer to any inquiries then or at any time put by the Registrar

touching its contracts, finances, stock, shares, securities, obligations, by-laws or books or, if required, produce for examination its books, records, securities, accounts and vouchers shall be liable to suspension, cancellation, or non-renewal of registry, and shall incur a penalty of \$50 for each day of default, but not exceeding in the whole \$1,000.

(8) Where it is made to appear to the Registrar that an extra provincial corporation does not borrow moneys in Ontario by the sale of its bonds, debentures or other securities or by accepting deposits or other moneys for investment and does not exercise in Ontario any of the powers of a trust corporation other than the loaning of money in Ontario, the Registrar may direct that the provisions of this section shall not apply to such corporation in which case such corporation shall make such returns and give such information as the Registrar shall from time to time require.

What required in case of an extra provincial corporation not borrowing moneys in Ontario.

(9) With the statement the corporation shall file a certified copy of any statement furnished to shareholders during the year then ended. R.S.O. 1927, c. 223, s. 117.

Copy of periodical statement or statements.

122.—(1) The Registrar shall prepare for the Minister from statements filed by the corporations and from any inspection or inquiries made, an annual report, showing particulars of the business of each corporation as ascertained from such statement, inspection and inquiries and such report shall be printed and published forthwith after completion.

Annual report.

(2) In his annual report the Registrar shall allow as assets only such of the investments of the several corporations as are authorized by this Act or by their Acts of incorporation or by the general Acts applicable to such investments.

Only authorized investments allowed as assets.

(3) In his said report the Registrar shall make all necessary corrections in the annual statements made by the corporations herein provided and shall be at liberty to increase or diminish the assets or liabilities of such corporations to the true and correct amounts thereof as ascertained by him in the examination of their affairs at the head office or any branch thereof or otherwise.

Corrections in annual statements by Registrar.

(4) If it appears to the Registrar or if he has any reason to suppose from the statements prepared and delivered to him by the corporations or otherwise, that the value placed by any corporation upon the real estate owned by it or any parcel thereof, is too great, or that the amount secured by mortgage or hypothec upon any parcel of real estate, together with interest due and accrued thereon is greater than the value of such parcel or that such parcel is not sufficient for such loan and interest, or that the value of any investments of the funds

Appraisal of over-valued real estate.

of the corporation or of its trust funds is less than the amount of the value of the investments shown in the books of the corporation, he may either require such corporation to secure an appraisal of such real estate or other security by one or more competent valuers or may himself procure such appraisal at the expense of the corporation and if it is made to appear that the value of such real estate or other security held, is less than the amount at which it is carried on the books of the corporation or is not adequate security for the loan and interest, he may write off such real estate, loan and interest, or investment, a sum sufficient to reduce the book value of the same to such amount as may fairly be realizable therefrom, such amount in no case to exceed the appraised value, and may insert such reduced amount in his said report.

Any corporation may be required to dispose of unauthorized investments.

(5) The Registrar may request any corporation to dispose of and realize any of its investments acquired after the 14th day of April, 1925, and not authorized by this Act, and the corporation shall within sixty days after receiving such request absolutely dispose of and realize the said investments, and if the amount realized therefrom falls below the amount paid by the corporation for the said investments, the directors of the corporation shall be jointly and severally liable for the payment to the corporation of the amount of the deficiency; provided that if any director present when any such investment is authorized does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware of such investment and is able to do so, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter gives notice of his protest by registered letter to the Registrar, such director may, thereby, and not otherwise, exonerate himself from such liability. R.S.O. 1927, c. 223, s. 118.

Representations that standing of corporation is vouched for by Registrar.

123.—(1) No corporation shall under the penalty of becoming disentitled to registry or of having its registry suspended or cancelled make, print, publish, circulate, authorize or be a party or privy to the making, printing, publishing or circulating of any statement or representation that its solvency or financial standing is vouched for by the Registrar or that the publication of its statement in his report is a warranty or representation of the solvency of the corporation, or of the truth or accuracy of such statement in any particular.

Penalty.

(2) Any director, auditor, officer, servant, employee or agent of a corporation who makes or uses or authorizes or is party or privy to the making or using of any such statement or representation shall be guilty of an offence. R.S.O. 1927, c. 223, s. 119.

REGISTRATION OF CORPORATIONS.

124.—(1) There shall be a Registrar and an assistant registrar who shall be appointed by the Lieutenant-Governor in Council. Appointment of Registrar and assistants.

(2) The assistant registrar shall perform the duties of the Registrar in the case of the latter's absence or illness, or of a vacancy in the office of Registrar, and shall also perform such other duties as shall be assigned to him by the Lieutenant-Governor in Council, by the Minister or by the Registrar. Assistant registrar, duties of.

(3) Without the leave of the Attorney-General, no action or proceeding shall be brought or taken against the Registrar or assistant registrar for anything done or omitted in the performance, or intended or supposed performance, of his duty under this Act. Actions against Registrar. R.S.O. 1927, c. 223, s. 120.

125. The Registrar shall have a seal of office, which shall bear upon its face the words "Registrar of Loan Corporations." Official seal. R.S.O. 1927, c. 223, s. 121.

126.—(1) The Registrar shall keep,—

Registers.

(a) a register to be called the "Loan Companies' Register," wherein shall be recorded the names of such loan corporations as are from time to time entitled to registry, whose powers do not include the business of buying and selling land, or that of a trustee, executor, administrator, guardian, liquidator, receiver or assignee; Loan Companies' Register.

(b) a register to be called the "Loaning Land Companies' Register," wherein shall be entered the names of such loaning land corporations as are from time to time entitled to registry, whose powers include the business of buying and selling land, but not that of a trustee, executor, administrator, guardian, liquidator, receiver or assignee; Loaning Land Companies' Register.

(c) a register to be called the "Trust Companies' Register," wherein shall be entered the names of such trust companies as are from time to time entitled to registry, whose powers include the business of a trustee, executor, administrator, guardian, liquidator, receiver or assignee, but do not include that of buying and selling land as beneficial owner, and, subject to subsection 3, do not exceed the powers which may be given to trust companies under this Act. Trust Companies' Register.

No corporation to be registered on more than one register. (2) A corporation shall not be registered on more than one of such registers, nor transact or undertake business in Ontario other than the business for which it is registered.

Special Acts as to trust companies not affected. (3) Nothing in this section shall diminish the powers conferred on any trust company by or under the authority of any other Act of Ontario, nor shall the possession of powers so conferred debar it from registry on the Trust Companies' Register.

Paid up capital required before registration. (4) No trust company shall be registered to transact business in this Province which has not a paid up capital of at least \$100,000. R.S.O. 1927, c. 223, s. 122.

Duties of Registrar. **127.**—(1) The duty of determining, distinguishing and registering those corporations which under this Act are required to be registered and are entitled to registry, and of granting registry accordingly, shall devolve upon the Registrar subject to appeal as hereinafter provided.

Power to require evidence. (2) For the purposes of his duties the Registrar may require to be made, or may take and receive affidavits or depositions, and may examine witnesses upon oath.

Employment of stenographer. (3) The evidence and proceedings in any matter before the Registrar may be reported by a stenographer who has taken an oath before the Registrar faithfully to report the same. R.S.O. 1927, c. 223, s. 123.

Transfer of papers. **128.** After the issue of letters patent to any corporation required or authorized to register under this Act, the Provincial Secretary shall transfer all papers in his Department connected with such company to the office of the Registrar. R.S.O. 1927, c. 223, s. 124.

Applications for initial registry. **129.**—(1) Applications for initial registry shall be made according to a form to be supplied by the Registrar, and the applicant shall deliver to the Registrar the application duly completed, together with such evidence as the form requires.

Material to be furnished. (2) The applicant shall, if required, furnish such further information, material and evidence, and give such public notice of the application as the Registrar may direct.

Financial statement to accompany application. What statement shall show. (3) With the application the applicant shall file a statement in such form as may be required by the Registrar, of the financial condition and affairs of the corporation on the 31st day of December next preceding, or up to the usual balancing day of the corporation, if such balancing day is not more than twelve months before the filing of the statement, and the statement shall be signed and verified as prescribed by section 117. R.S.O. 1927, c. 223, s. 125.

130.—(1) Where a corporation applying for registry has its head office elsewhere than in Ontario the application shall be accompanied by a power of attorney from the corporation to an agent or agents resident in Ontario.

Registration of extra provincial corporations.

(2) The power of attorney shall be under the seal of the corporation, and shall be signed by the president and secretary or other proper officers thereof in the presence of a witness who shall make oath as to the due execution thereof.

Execution of power of attorney.

(3) The official positions in the corporation held by the officers signing such power of attorney shall be verified by the oath of some person cognizant of the facts.

Authentication.

(4) The power of attorney shall declare at what place in Ontario the chief agency of the corporation is, or is to be established, and shall expressly authorize such agent or agents to receive service of process in all actions and proceedings against the corporation in Ontario for any liability incurred by the corporation therein, and also to receive from the Registrar all notices which the law requires to be given, or which it is thought advisable to give, and shall declare that service of process for or in respect of such liability on either of such agents and receipt of such notices at such chief agency or personally by either of such agents shall be legal and binding on the corporation.

Contents of power of attorney.

(5) The power of attorney with the affidavit shall be filed with the Registrar.

Filing of power of attorney.

(6) The power of attorney may confer upon the agent or agents any further or other powers which the corporation may deem advisable.

Authority conferred by power of attorney.

(7) The production of a copy of such power of attorney certified by the Registrar shall be sufficient evidence for all purposes of the power and authority of the person or persons therein named to act on behalf of the corporation in the manner and for the purposes set forth in such certified copy.

Effect of copy as evidence.

(8) Whenever the corporation changes its agent or chief agency in Ontario it shall file with the Registrar a power of attorney, as hereinbefore provided, stating the change or changes and containing a similar declaration as to service of process and notices as hereinbefore provided.

Changes in chief agent or agency.

(9) After the power of attorney is filed any process in any action or proceeding against the corporation for a liability incurred in Ontario may be validly served on the corporation at its chief agency; but nothing herein shall render invalid service in any other mode in which a corporation may be lawfully served.

Service of process thereafter.

Section to
apply not-
withstanding
special Act.

(10) This section shall apply notwithstanding any special or other legislation of Ontario affecting any registered corporation. R.S.O. 1927, c. 223, s. 126.

Recording
registry;
entries on
register.

131.—(1) The Registrar shall cause to be entered on the proper register the name of every corporation which from time to time he or, in case of appeal, the Lieutenant-Governor in Council finds to be entitled to registry, together with the date of the commencement of the registry and the term for which the registry is to endure.

Term of
registry.

(2) The term shall begin from the date of such commencement and shall end not later than the 30th day of June then next ensuing.

Particulars
to be
entered.

(3) The Registrar shall also cause to be entered on the register the place where the head office and the chief agency, if any, are situate, and if there is a chief agency the name and address of the chief agent, and of the agent or agents appointed under section 130.

Entering
suspension,
etc., of
registry.

(4) If the registry is suspended, revived, revoked, or cancelled, the date of and authority for such suspension, revivor, revocation or cancellation shall also be entered.

Issue of
certificate of
registry.

(5) The Registrar shall issue under his hand and seal of office to every registered corporation a certificate of registry, setting forth that the corporation is entitled to registry as a (*describing the corporation*) under this Act, and that the corporation is accordingly registered for the term stated in the certificate.

Commence-
ment and
end of term.

(6) Every certificate of registry shall specify the first day and the last day of the term for which the corporation is registered, and the corporation so registered shall be deemed to be registered from the commencement of the first day to the end of the last day so specified.

Duration of
registry.

(7) A certificate of registry which does not specify an earlier date of expiry shall, unless sooner suspended or cancelled, remain valid until the then next ensuing 30th day of June inclusive, when, if the corporation has complied with the law and continues solvent, it shall be entitled to a certificate of renewed registry, and so on every succeeding 30th day of June thereafter.

Interim
certificate.

(8) Notwithstanding failure to comply with the provisions of this Act within the prescribed time the Registrar may, upon payment of the prescribed fee, grant an interim certificate of registry or extend the currency of a subsisting certificate. R.S.O. 1927, c. 223, s. 127.

CORPORATE NAME: CHANGE OF NAME OR OF HEAD OFFICE.

132.—(1) No corporation shall be registered under a name identical with that under which any other existing corporation is registered, or under any other name likely, in the opinion of the Registrar, to deceive the public as to its identity. Restrictions upon use of names.

(2) No registered corporation shall be registered under a new or different name except upon proof that such new or different name is authorized by law. New names.

(3) Where a provincial corporation is desirous of adopting a name different from that by which it was incorporated, or where, in the opinion of the Registrar, the name by which the corporation was incorporated may be easily confounded with that of another existing corporation, the Lieutenant-Governor in Council may change the name of the corporation to some other name to be stated in the Order-in-Council. Change of corporate name.

(4) No such change of name shall affect the rights or obligations of the corporation. Not to affect rights or obligations.

(5) The location of the head office of a corporation may be changed in like manner. Change of head office.

(6) Such public notice shall be given of any change of name or head office, and of any application for such change, in the *Ontario Gazette* and otherwise as the Registrar may direct. R.S.O. 1927, c. 223, s. 128. Public notice.

CORPORATIONS ADMISSIBLE TO REGISTRY: REFUSAL, SUSPENSION, REVIVOR, CANCELLATION OF REGISTRY: APPEAL.

133.—(1) Corporations mentioned in section 126, which are solvent and fall within one of the following classes, may, upon due application, be admissible to registry,— What admissible to registry.

(a) corporations duly constituted under the law of Ontario; Corporations hereafter constituted.

(b) corporations which being duly incorporated or constituted under the law of Ontario, or of any other province of Canada, or of the Dominion of Canada, or of the United Kingdom, were in actual, active and *bona fide* operation in Ontario on the 16th day of April, 1912, but a corporation not being incorporated or constituted under the law of Ontario shall be admissible to registry only on due application and with the approval of the Minister and on such terms and conditions as he may prescribe; Certain active corporations.

Other non-provincial or British corporations.

- (c) corporations duly constituted as joint stock corporations under the law of any other province of Canada or of the Dominion of Canada, or of the United Kingdom, which issue only permanent shares and have a subscribed permanent stock of not less than \$500,000, whereof \$100,000 is paid in and unimpaired.

Registry validated.

- (2) Any registry purporting to have been made prior to 1st day of May, 1914, by any corporation mentioned in clause *b* of subsection 1 shall be deemed for all purposes to have been a registry under this Act from the date of commencement of such purported registry.

Corporations of other countries.

- (3) A corporation incorporated under the laws of any other country may, upon due application, with the approval of the Minister, be admitted to registry on such terms and conditions as he may deem expedient.

No others.

- (4) Subject to section 158 no other corporation shall be registered. R.S.O. 1927, c. 223, s. 129.

Suspension or cancellation of registry.

- 134.**—(1) Upon proof that registry or a certificate of registry has been obtained by fraud or mistake, or that a corporation exists for an illegal purpose, or is insolvent, or has failed to pay its obligations, or has wilfully, and after notice from the Registrar, contravened any of the provisions of this Act, or of the Act or instrument incorporating the company, or of any law in force in Ontario, or has ceased to exist, the registry of the corporation may be suspended or cancelled by the Registrar.

Notice to be given to the corporation.

- (2) On the suspension or cancellation of the registry of any existing corporation the Registrar shall cause notice in writing thereof to be delivered to the corporation.

Publication in *Gazette*.

- (3) Where the corporation has ceased to exist the notice shall be published in the *Ontario Gazette*.

Corporation to cease business except for winding up purposes.

- (4) From and after such suspension or cancellation, or after termination of registry without renewal, the corporation shall, unless and until again registered, cease to transact or undertake business in Ontario, except so far as necessary for the winding up of its business; but any liability incurred by such corporation may be enforced against it as if such suspension, cancellation or termination had not taken place. R.S.O. 1927, c. 223, s. 130.

Decision of Registrar to be in writing and to be delivered to corporation.

- 135.**—(1) Where in any disputed case the Registrar decides that a corporation is or is not legally entitled to registry, or to renewal of registry, or where he suspends, revives,

or cancels the registry of a corporation, his decision, except as otherwise herein provided, shall be given in writing and he shall cause a copy thereof certified under his seal of office to be delivered to the corporation.

(2) A certified copy of any such decision or of any certificate of registry may be had on application to the Registrar upon payment of the prescribed fee. Certificate of decision or of registry.

(3) Affidavits and depositions received or taken by the Registrar shall be filed in his office. R.S.O. 1927, c. 223, s. 131. Filing affidavits and depositions.

136.—(1) An appeal shall lie to the Lieutenant-Governor in Council from any decision of the Registrar affecting the right of any corporation to register, or affecting the revivor of registration, or suspending or cancelling the registration of any corporation, and from any decision of the Registrar under section 131 or section 132, and by leave of the Lieutenant-Governor in Council from his decision in any other case. Appeal to the Lieutenant-Governor in Council.

(2) Unless otherwise ordered by the Lieutenant-Governor in Council no appeal shall be allowed unless within thirty days after the decision appealed against has been made notice of appeal and of the reasons therefor is delivered to the Registrar. Notice of appeal and grounds.

(3) The decision of the Lieutenant-Governor in Council shall be final and conclusive. R.S.O. 1927, c. 223, s. 132. Decision.

137. The Registrar may at the request of the corporation, evidenced as he may direct, cancel its registry. R.S.O. 1927, c. 223, s. 133. Cancellation of registry by request of corporation.

NOTICE TO CORPORATION FOR THE PURPOSES OF THE ACT.

138. Delivery of any written notice or document to a corporation for any purpose of this Act, where the mode is not otherwise expressly provided, may be by letter delivered at the head or chief office of the corporation in Ontario or its chief agency therein, or sent by registered post addressed to the corporation, its manager or agent at such head or chief office or agency, or by delivering it personally to an authorized agent of the corporation. R.S.O. 1927, c. 223, s. 134. Service of notices.

UNREGISTERED CORPORATIONS AND ILLEGAL CONTRACTS.

139.—(1) No incorporated body or person acting in its behalf, other than a registered corporation, and a person duly authorized by it to act in its behalf shall undertake or trans- No unregistered corporation to undertake business.

act the business of a loan corporation, or of a loaning land corporation, or of a trust company in Ontario.

Certain matters to be deemed undertaking business.

(2) Any setting up or exhibiting of a sign or inscription containing the name of the corporation, or any distribution or publication of any proposal, circular, card, advertisement, printed form or like document in the name of the corporation, or any written or oral solicitation on the corporation's behalf, or any collecting or taking of money on account of shares or of loans or advances shall, both as to the corporation and as to the person acting or purporting to act on its behalf, be deemed undertaking the business of the corporation within the meaning of this section.

No person to act as agent for unregistered corporation.

(3) Any promoter, organizer, manager, director, officer, collector, agent, employee, or person who undertakes or transacts any business of a corporation which is not registered under this Act shall be guilty of an offence. R.S.O. 1927, c. 223, s. 135.

Penalty for using certain words in name of company while unregistered.

Rev. Stat. c. 256.

140. Any person, partnership, organization, society, association, company or corporation, not being a corporation registered under this Act or under *The Insurance Act*, assuming or using in Ontario a name which includes any of the words "Loan," "Mortgage," "Trust," "Trusts," "Investment," or "Guarantee," in combination or connection with any of the words "Corporation," "Company," "Association" or "Society," or "Limited," or "Incorporated" or any abbreviations thereof, or in combination or connection with any similar collective term, or assuming or using in Ontario any similar name, or any name or combination of names which is likely to deceive or mislead the public shall be guilty of an offence, and any person acting on behalf of such person, partnership, organization, society, association, company or corporation shall also be guilty of an offence; but where any of such combinations of words formed part of the corporate name of any combination theretofore duly incorporated by or under the authority of an Act of Ontario or of the Parliament of Canada the combination may continue to be used in Ontario as part of the corporate name. R.S.O. 1927, c. 223, s. 136; 1935, c. 36, s. 5.

Interpretation.

141.—(1) In this section "contract" shall mean and include any contract, agreement, undertaking or promise,—

"Contract."

(a) to pay to or for the contract holder any money or money's worth;

(b) to sell, supply, or procure any building or site or land or to bring about the purchase and sale or supply thereof; or

(c) to construct or procure the construction of any house or building;

made upon any consideration which includes an entrance or membership fee, or expense contribution, initial, renewal, periodical or recurrent, or which includes any periodical or recurrent contribution to a fund, or account, or source for, or intended or alleged to be for, the carrying out of such contract, and "contract" shall further include any contract, agreement, undertaking, or promise, the benefit of which to the contract holder paying any such consideration is to be wholly or partly postponed or deferred until other contract holders have been provided for, or is to depend upon the number or the persistence of the other contract holders, or upon the accession of new contract holders, or upon the order or sequence of the contract.

(2) Any person, partnership, organization, society, association, company or corporation, not being a corporation registered under this Act or under *The Insurance Act*, undertaking or effecting, or offering to undertake or effect, any such contract shall be guilty of an offence, and any person acting on behalf of such person, partnership, organization, society, association, company or corporation, shall also be guilty of an offence, and the convicting magistrate or justices, in addition to imposing the prescribed penalty, may at the time of conviction or thereafter make such order for the restitution of the money which was unlawfully taken as to him or them shall seem just, and in default of compliance with such order the offender shall be liable to imprisonment for a term not exceeding twelve months. R.S.O. 1927, c. 223, s. 137.

Prohibition of certain contracts.

Rev. Stat. c. 256.

Order for restitution.

Penalty for non-compliance.

142. Where in any case arising under any of sections 139, 140 and 141 it is found by the magistrate or justices that the person, partnership, organization, society, company or corporation charged or his or its agent is exhibiting or using any sign, inscription or name, or distributing, using or publishing any document, including any proposal, circular, card, advertisement, notice, application, contract or printed form which, in the opinion of the magistrate or justices, induces, or tends to induce, a violation of any such sections, or is likely to deceive or mislead the public either as to the party or the status of the party undertaking the contract, or as to the nature, terms or effect of the contract, the magistrate or justices may summarily order the discontinuance of such sign, inscription, name or document, and non-compliance with such order shall be an offence. R.S.O. 1927, c. 223, s. 138.

Use of sign, name or document inducing illegal contract.

Order for discontinuance.

OFFENCES AND PROSECUTIONS.

Offences
for which
no special
penalty
provided.

143.—(1) For every contravention of this Act, which is declared to be an offence and for which no other penalty is provided, the offender shall, for the first offence, incur a penalty of not less than \$20 and not more than \$200, and for any subsequent offence of the same kind shall be liable to imprisonment for any term not less than three months and not more than twelve months, or in the case of an organization, society, association, company or corporation to a penalty not exceeding \$1,000.

Prosecu-
tions.

Rev. Stat.
c. 136.

(2) The prosecution shall be before a magistrate or two justices of the peace, and, except as herein otherwise provided, the provisions of *The Summary Convictions Act* shall apply.

Limitations
of prosecu-
tions.

(3) The information or complaint shall be laid or made in writing within one year after the commission of the offence. R.S.O. 1927, c. 223, s. 139.

False
statements
or returns.

Penalty.

144.—(1) Every person who makes any wilfully false or deceptive statement in any account, statement, return, report or other document respecting the affairs of a corporation shall be guilty of an offence and shall be liable, on conviction thereof, to imprisonment for a term not exceeding five years.

Officers'
liability.

(2) Every president, vice-president, director, auditor, manager or other officer of a corporation, who,

(a) prepares, signs, approves, or concurs in any such account, statement, return, report or document containing such false or deceptive statement; or

(b) uses the same with intent to deceive or mislead any person;

shall be held to have wilfully made such false or deceptive statement, and shall further be responsible for all damages sustained by any person in consequence thereof.

Trial under
Rev. Stat.
c. 136, before
a magistrate
or two
justices.

(3) Offences under this section shall be prosecuted under *The Summary Convictions Act* before a magistrate or two justices of the peace. R.S.O. 1927, c. 223, s. 140.

Security
upon ap-
peal from
conviction.

145. Every person convicted under this Act who gives notice of appeal against the conviction shall before proceeding with the appeal give security to the satisfaction of the magistrate or justices to appear personally at the court and to prosecute such appeal, and to abide by the judgment of the court thereupon, and to pay such costs as may be awarded, and if a pecuniary penalty is imposed to pay the same if the conviction is affirmed. R.S.O. 1927 c. 223, s. 141.

146.—(1) One-half of any penalty imposed under the authority of this Act shall belong to His Majesty, for the use of Ontario, and the other half shall belong to the prosecutor.

Informant:
application
of fine.

(2) In every action for a penalty or prosecution for an offence against this Act, the burden of proving registry shall be upon the person, partnership, organization, society, association, company or corporation charged. R.S.O. 1927, c. 223, s. 142.

Burden of
proof of
registry.

VERIFICATION OF ANNUAL STATEMENTS MADE TO REGISTRAR;
SPECIAL AUDIT.

147.—(1) The Registrar or any person authorized under his hand and seal shall, with the approval of the Minister, have at any time within reasonable business hours of every day except holidays access to the books, vouchers, securities and documents of a corporation, and any officer or person in charge, possession, custody or control of such books, vouchers, securities or documents refusing or neglecting to afford such access shall be guilty of an offence, and the corporation, if registered, shall be liable to have its registry suspended.

Registrar
to have
access to
corporation
books, etc.

(2) The corporation, on continued refusal or neglect to afford such access, shall be liable to have its registry cancelled or not renewed after termination of the current certificate.

Cancellation
of registry
for refusing
access.

(3) Where a corporation is three months in default in the delivery of the financial statement required by section 121 or upon proof that its accounts have been materially and wilfully falsified, or that for eighteen consecutive months there has been no *bona fide* audit of the books and accounts, or where there is filed with the Registrar a requisition for audit bearing the signatures, addresses and occupations of at least twenty-five shareholders of the corporation, holding shares upon which not less than \$10,000 has been paid in, and alleging to the satisfaction of the Registrar specific fraudulent or illegal acts, or repudiation of contracts, or insolvency, and accompanied by a deposit of \$300 or such less sum as the Registrar may fix as security to cover the costs of the audit, the Registrar may nominate a competent accountant who shall under his direction make a special audit of the corporation's books, accounts and securities, and make to him a written report thereupon verified upon oath.

Special audit
in case of
fraud, illegal
acts or
default of
audit or
financial
statement.

(4) A special auditor so appointed shall be sufficiently accredited if he delivers to the secretary or to any managing officer of the corporation a written statement under the hand

Credentials
of auditor.

and seal of the Registrar to the effect that the Registrar has nominated him to audit the books, accounts and securities of the corporation.

Expenses of special audit.

(5) The expense of such special audit shall be borne by the corporation, and the auditor's account therefor when approved in writing by the Registrar shall be conclusive and shall be payable forthwith.

Payment of costs out of deposit.

(6) Where the facts alleged in the requisition appear to the Registrar to have been partly or wholly disproved by the audit, and he deems it just, he may pay the costs of the audit partly or wholly out of the deposit.

Return of balance of deposit.

(7) The deposit or the balance, if any, remaining after payment of such costs shall be returned to the requisitioning shareholders upon the order of the Registrar.

Where corporation resists or obstructs audit.

(8) Where a corporation, by its officer, employee, servant or agent having in his custody, possession or power the funds, books, vouchers, securities, or documents of the corporation, refuses to have the same duly audited, as provided by section 113, or by this section or by section 148, or obstructs an auditor or examiner in the performance of his duties, the Registrar, upon proof of the fact, may suspend or cancel the registry of the corporation, or may terminate the registry after the expiry of the current certificate of registry.

Report of special auditor.

(9) If the report of the special auditor appears to the Registrar to disclose fraudulent or illegal acts on the part of the corporation, or a repudiation of its contracts, or its insolvency, he shall notify the corporation accordingly and furnish it with a copy of the report, allowing two weeks for a statement in reply to be filed with him.

Registrar's decision.

(10) Upon consideration of the report and of the corporation's statement in reply, and of such further evidence, documentary or oral, as he may require, the Registrar shall render his decision in writing, and may thereby continue or terminate, or suspend or cancel the registry of the corporation. R.S.O. 1927, c. 223, s. 143.

Appointment of examiner by Attorney-General.

148.—(1) The Attorney-General, of his own motion or upon an application being made to him in writing, may appoint some competent person to make a special examination and audit of the corporation's books, accounts and securities, and to inquire into the conduct of the business of the corporation generally.

Evidence upon which inquiry to be ordered.

(2) The application shall be supported by such evidence as the Attorney-General may require for the purpose of

showing that there is good reason for requiring such investigation to be made, and that it is not prompted by malicious motives.

(3) The Attorney-General may require security for the payment of the costs of the inquiry to be given before appointing the examiner. Security for costs.

(4) The examiner may summon witnesses and take evidence under oath, and generally, for the purposes of such examination, audit and inquiry, shall have the like powers as may be conferred on a commissioner appointed under *The Public Inquiries Act*. Powers of examiner as to summoning witnesses, etc. Rev. Stat. c. 19.

(5) Upon the conclusion of such examination, audit and inquiry the examiner shall make his report in writing to the Attorney-General. Report to Attorney-General.

(6) The Registrar may, by notice in writing, whenever he sees fit, require a corporation to make in addition to its annual or other returns required by this Act, a return verified by affidavit of one of its officers, or to furnish information verified in the same manner upon any subject connected with its affairs, and the corporation shall make the return within the time mentioned in the notice requiring the same. Requiring additional information or returns from loan and trust corporations.

(7) The notice in subsection 6 referred to may be made to the president, secretary, managing director or other officer or officers having apparent control of the books of the corporation, or any of them in the Province of Ontario, and non-compliance with such notice shall be an offence. Notice requiring return or information.

(8) Upon the request of the Dominion Mortgage and Investments Association or the Land Mortgage Companies Association of the Province of Ontario, the Attorney-General shall appoint an examiner as provided under subsection 1. Appointment of examiner at request of Dominion Mortgage & Companies Association. R.S.O. 1927, c. 223, s. 144.

149. Every director, manager, auditor, officer, agent, collector, servant, or employee of the corporation who refuses or neglects to make any proper entry in any book of record, entry or account of the corporation, or to exhibit the same, or to allow the same to be inspected or audited, either for the general purposes of the corporation or for the purposes of this Act, and extracts to be taken therefrom shall be guilty of an offence. R.S.O. 1927, c. 223, s. 145. Refusal to make entries or exhibit same, etc.

150.—(1) A notice published in the *Ontario Gazette* over the name of the Registrar or assistant registrar shall, without further proof, be *prima facie* evidence of the facts set forth in such published notice. Evidence: notice in Gazette.

Official publications.

(2) All copies of returns, reports or other official publications of the Registrar purporting to be printed by the King's Printer, or to be printed by order of the Assembly, shall, without further proof, be admitted as evidence of such publication and printing and as true copies of the originals.

Certificate as to registry.

(3) A certificate under the hand of the Registrar or assistant registrar and the Registrar's seal of office, that on a stated day the corporation mentioned therein was or was not registered, or that the registry of any corporation was originally granted, or was renewed, suspended, revived or cancelled, on a stated day, shall be *prima facie* evidence of the facts stated in the certificate.

Copies of or extracts from official documents.

(4) Copies of, or extracts from, any book, record, instrument or document in the office of the Registrar or of or from any official instrument or document issued under this Act shall, if certified by him or by the assistant registrar to be true copies or extracts and sealed with the Registrar's seal of office, be held as authentic and shall be *prima facie* evidence of the same legal effect as the original. R.S.O. 1927, c. 223, s. 146.

Books as evidence.

151.—(1) In any action or proceeding against a corporation the books mentioned in section 111 shall be *prima facie* evidence of the facts purported to be thereby stated.

Idem.

(2) The books of a corporation shall be *prima facie* evidence of the truth of all matters purporting to be therein recorded as between the corporation and its shareholders, and as between its shareholders. R.S.O. 1927, c. 223, s. 147.

Annual inspection of registered corporations.

152.—(1) The Registrar shall visit personally or cause a duly qualified member of his staff to visit at least once annually the head office of each corporation registered under this Act, and he shall inspect and examine the statements of the condition and affairs of each corporation and make such inquiries as are necessary to ascertain its condition and ability to provide for the payment of its liabilities as and when they become due, and whether or not it has complied with all the provisions of this Act, and the Registrar shall report thereon to the Minister, as to all matters requiring his attention and decision. 1930, c. 42, s. 8, *part*; 1931, c. 23, s. 18.

Further inspection.

(2) Where the Registrar deems it necessary and expedient to make a further examination into the affairs of a corporation and so reports to the Minister, the Minister may in his discretion instruct the Registrar to visit or cause any duly qualified member of his staff to visit any branch office or

offices of the corporation to inspect and examine into its affairs and to make such further inquiries as the Minister may require.

(3) For the purpose of an examination, the corporation shall prepare and submit to the Registrar such statements with respect to its business, finances or other affairs of the corporation, in addition to the statement mentioned in this Act, as the Registrar may require, and the officers, agents and servants of the corporation shall cause their books to be open for inspection and shall otherwise facilitate such examination so far as it is in their power.

Material to be furnished on inspection.

(4) In order to facilitate the examination of the books and records of a corporation, the corporation may be required by the Registrar with the approval of the Minister, to produce the said books and records at the head office or chief office of the corporation in Ontario, or at such other convenient place as the Registrar may direct.

Production of books at head office or elsewhere as Registrar may direct.

(5) The Registrar or any person authorized by the Minister may examine under oath the officers, agents or servants of the corporation for the purpose of obtaining any information which he deems necessary for the purpose of such examination.

Examination under oath.

(6) Where an examination is made of any branch or other office of a corporation situated outside of Ontario, under the authority of subsection 2 hereof, the corporation shall pay the account of the Department in connection with such examination upon the certificate of the Registrar approved by the Minister. 1930, c. 42, s. 8, *part*.

Expense of further inspection.

153. If as the result of the examination as aforesaid of any corporation registered under this Act the Registrar believes that the assets of the corporation are insufficient to justify its continuance in business, he shall make a special report to the Minister on the condition of such corporation. R.S.O. 1927, c. 223, s. 149.

Special report where condition unsound.

FEES.

154.—(1) Until otherwise prescribed by the Lieutenant-Governor in Council the fees for letters patent of incorporation under this Act shall be as mentioned in Schedule A.

Fees for incorporation.

(2) Until otherwise prescribed by the Lieutenant-Governor in Council the fees set out in Schedule B shall be payable in respect of the matters therein mentioned.

Other fees.

(3) The fees shall be payable to the Registrar.

Payment to Registrar.

Commuta-
tion on
proposed
discontinu-
ance of
business.

(4) Where a corporation proves to the satisfaction of the Registrar that it is discontinuing business in Ontario, and has given such public notice of intended discontinuance as shall be required, the fee for registry or renewal of registry, as the case may be, may, on the certificate of the Registrar, be commuted to one-fourth of the prescribed fee; but registry at such commuted fee shall not be granted for more than four years in all, unless for cause shown to the satisfaction of the Registrar, in which case registry may be granted year by year for an additional number of years. R.S.O. 1927, c. 223, s. 150.

Time of
payment.

155. In the case of an application or other document or instrument to be filed, examined or deposited, the fee shall be paid before the application or other document or instrument is dealt with, and in the case of registry or certificates of registry the fee shall be paid before the corporation is registered. R.S.O. 1927, c. 223, s. 151.

Application
of certain
sections of
Rev. Stat.
c. 251.

156. Except where the provisions of this Act are inconsistent with them, sections 28, 55, 57, 60, 61, 62, 65, 66, 67, 79, 81, subsection 1 of section 94, section 97 and Part XIV of *The Companies Act* shall apply, substituting for the words "Provincial Secretary," in subsection 1 of section 94 and Part XIV, the words "Registrar." R.S.O. 1927, c. 223, s. 152.

Insurance
company,
etc., em-
powered to
acquire
shares of
Dominion
Agricultural
Credit
Co., Ltd.
Rev. Stat.
c. 256.

157. Notwithstanding anything contained in *The Insurance Act*, this Act or any other Act, an insurance company, a trust company, a loan corporation or a loaning land corporation subject to the jurisdiction of the Legislature of Ontario shall have power to acquire, hold and dispose of shares of the capital stock of Dominion Agricultural Credit Company, Limited. 1937, c. 72, s. 33 (2).

SAVING AS TO TERMINATING SHARES ISSUED BEFORE 16TH DAY OF APRIL, 1912.

Saving as
to law
applicable to
terminating
shares.

158. Notwithstanding the repeal of certain Acts and parts of Acts by section 143 of *The Loan and Trust Corporations Act*, passed in the 2nd year of the reign of His Late Majesty, King George V, chaptered 34, the law of Ontario which, on the 16th day of April, 1912, was in force and applied to corporations having terminating or withdrawable stock or shares, shall continue in force and shall apply to such corporations so long as such stock or shares subsist. R.S.O. 1927, c. 223, s. 153.

SCHEDULE OF FEES.

SCHEDULE A.

Fee for Letters Patent of Incorporation:

(a) \$300,000 but less than \$500,000.....	\$200 00
(b) \$500,000 but less than \$1,000,000.....	250 00
(c) \$1,000,000 and \$25 for each additional \$100,000.....	350 00
(d) Supplementary Letters Patent.....	50 00

R.S.O. 1927, c. 223, Sched. A

SCHEDULE B.

1. Application for initial registry (s. 129).....	\$5 00
2. Extension of time not exceeding seven days, or any renewal thereof not exceeding seven days, for filing annual statement, application for renewal of registry, or any other documents or information required under the authority of this Act, provided that the Registrar may grant relief from the payment of this fee in any case in which he thinks for reasons appearing to him to be sufficient, that it should not be imposed.....	10 00
3. Filing power of Attorney in case of corporations mentioned in section 130.....	5 00
4. Filing new power or change of attorney (s. 130).....	5 00
5. Initial registry Loan or Loaning Land Corporations.....	100 00
6. Initial registry Trust Companies.....	150 00
7. Certificate of renewed registry (s. 131):	
(a) Where the assets of the corporation amount to not more than \$250,000.....	35 00
(b) Where the assets of the corporation exceed \$250,000 but do not exceed \$500,000.....	50 00
(c) Where the assets of the corporation exceed \$500,000 but do not exceed \$1,000,000.....	75 00
(d) Where the assets of the corporation exceed \$1,000,000 but do not exceed \$1,500,000.....	100 00
(e) Where the assets of the corporation exceed \$1,500,000 but do not exceed \$2,000,000.....	125 00
(f) Where the assets of the corporation exceed \$2,000,000 but do not exceed \$2,500,000.....	150 00
(g) Where the assets of the corporation exceed \$2,500,000 but do not exceed \$3,000,000.....	175 00
(h) Where the assets of the corporation exceed \$3,000,000 but do not exceed \$5,000,000.....	200 00
(i) Where the assets of the corporation exceed \$5,000,000 but do not exceed \$10,000,000.....	250 00
(j) Where the assets of the corporation exceed \$10,000,000.....	300 00
(k) Minimum under section 154 (4).....	35 00

For purposes of this article, capital stock uncalled shall not be deemed an asset.

8. Interim certificate of registry or extension of certificate (s. 131).....	\$5 00
9. Revivor of registry after suspension (s. 131):	
For a corporation within article 7 (a).....	10 00
For a corporation within article 7 (b).....	15 00
For a corporation within article 7 (c).....	20 00
For a corporation within article 7 (d).....	25 00
For a corporation within article 7 (e).....	30 00
10. Change of corporate name (s. 132).....	25 00
11. Change of head office (s. 132).....	25 00
12. Filing annual statement (s. 121).....	5 00
13. Filing new by-laws or amendments thereto after initial registry (s. 90).....	2 00
14. Application for increase, decrease, conversion or alteration of capital stock or shares or declaration or alteration of powers.....	10 00
(a) Certificate of decrease, conversion or alteration of capital stock or shares or declaration or alteration of powers.....	150 00
(b) Order-in-Council increasing capital stock:	
i. \$300,000 but less than \$500,000.....	200 00
ii. \$500,000 but less than \$1,000,000.....	250 00
iii. \$1,000,000 and \$25 for each additional \$100,000.....	350 00
iv. Supplementary letters patent.....	50 00
15. Application for increase in borrowing powers under section 50 (2).....	25 00
(a) Order-in-Council.....	200 00
16. Copy of decision of Registrar, per folio of 100 words.....	10
Also for certificate of Registrar.....	1 00
17. Certified copy of entry on register or of certificate.....	1 00
18. Copies of or extracts from documents filed with Registrar per folio or 100 words.....	10
Also for certificate of Registrar.....	1 00
19. Examining and passing upon applications or documents under sections 59 to 68.....	25 00
Order-in-Council and certificate.....	200 00
20. Examining and passing upon applications or documents under sections 26 and 27 of <i>The Trustee Act</i> (Rev. Stat. c. 165).....	25 00
Order-in-Council.....	100 00
21. Examining and passing upon applications or documents under section 21.....	25 00
Order-in-Council.....	100 00

Order-in-Council approved 25th Oct., 1927.